CLAT PG 2026 Question Paper with Solutions

Time Allowed :2 Hours	Maximum Marks :120	Total Questions :120

General Instructions

Read the following instructions very carefully and strictly follow them:

1. The PG-CLAT 2026 will feature an emphasis on the comprehension abilities of the students. It shall be of 120 minutes duration, with one sections:
2. The first section would include 120 objective-type questions carrying 1 mark each. There shall be a negative marking of 0.25 marks for every wrong answer.
3. The paper will be based on the mandatory subjects of the undergraduate program and include Constitutional Law, Jurisprudence, Administrative Law, Law of Contract, Torts, Family Law, Criminal Law, Property Law, Company Law, Public International Law, Tax Law, Environmental Law, and Labour & Industrial Law.
4. The use of any electronic gadgets such as mobile phones, calculators, or digital watches is strictly prohibited.
5. The test booklet must not be torn or damaged in any way.
6. The candidate must write their **Name**, **Roll Number**, and **OMR Sheet Number** in the spaces provided and sign where required.

Passage I

"Section 55 of the Indian Contract Act says that when a party to a contract promises to do a certain thing within a specified time but fails to do so, the contract or so much of it as has not been performed, becomes voidable at the option of the promisee if the intention of the parties was, that time should be of the essence of the contract. If time is not the essence of the contract, the contract does not become voidable by the failure to do such thing on or before the specified time but the promisee is entitled to compensation from the promisor for any loss occasioned to him by such failure. Further, if in case of a contract voidable on account of the promisor's failure to perform his promise within the time agreed and the promisee accepts performance of such promise at any time other than that agreed, the promisee cannot claim compensation for any loss occasioned by the non-performance of the promise at the time agreed, unless, at the time of such acceptance he gives notice to the promisor of his intention to do so.

Sections 73 and 74 deal with consequences of breach of contract. Heading of Section 73 is compensation for loss or damage caused by breach of contract. When a contract is broken, the party who suffers by such breach is entitled to receive from the party who has broken the contract compensation for any loss or damage caused to him thereby which naturally arose in the usual course of things from such breach or which the parties knew when they made the contract to be likely to result from the breach of it. On the other hand, Section 74 deals with compen-

sation for breach of contract where penalty is stipulated for. When a contract is broken, if a sum is mentioned in the contract as the amount to be paid in case of such breach or if the contract contains any other stipulation by way of penalty, the party complaining of the breach is entitled whether or not actually damage or loss is proved to have been caused thereby, to receive from the party who has broken the contract reasonable compensation not exceeding the amount so named or the penalty stipulated for."
tracted from: Consolidated Construction Consortium Limited v Software Technology Parks of India 2025 INSC 574

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1. Whether time is of essence or not is a question of fact, and the real test is the parties' intention. Which amongst the following is not correct in ascertaining the intention of the parties with respect to "time is of essence".

(A) The express words used in the contract.
(B) The nature of the property which forms the subject-matter of the contract.
(C) The nature of the contract and the surrounding circumstances.
(D) The nature of the contract that provides for an extension of time or liquidated damages for delays

Correct Answer: (D) The nature of the contract that provides for an extension of time or liquidated damages for delays

Solution:

Step 1: Understanding the Question:
The question asks to identify which of the given options is NOT a correct factor or test for determining whether time is of the essence in a contract. The core issue is how the intention of the parties regarding the timeliness of performance is determined.

Step 2: Detailed Explanation:
According to Section 55 of the Indian Contract Act, whether time is of the essence depends on the intention of the parties. This intention is gathered from several factors.
(A) **The express words used in the contract:** This is the most direct way to determine the parties' intention. If the contract explicitly states that "time is of the essence," courts will generally uphold this. So, this is a correct factor.
(B) **The nature of the property which forms the subject-matter of the contract:** If the subject matter is perishable goods or items with fluctuating market values, time is usually considered to be of the essence. So, this is a correct factor.
(C) **The nature of the contract and the surrounding circumstances:** In commercial or business contracts, time is generally presumed to be of the essence. The context in which the contract was made is crucial. So, this is a correct factor.
(D) **The nature of the contract that provides for an extension of time or liquidated damages for delays:** This statement is the one that is not entirely correct in the way it is framed as a test. The presence of a clause for extension of time or for payment of liquidated damages for delays is indeed a factor to be considered. However, it is generally considered

strong evidence that **time is NOT of the essence**. The parties have contemplated a possible delay and have provided a remedy for it (compensation), which indicates that they did not intend for the contract to become voidable merely due to delay. Therefore, while it is a factor in "ascertaining the intention," its inclusion as a general test for determining if time is of the essence is misleading. The other three options are direct tests to establish that time is of the essence. The presence of a liquidated damages clause is an indicator pointing to the contrary conclusion. Thus, in the context of identifying a correct test for "time is of essence", this one is the outlier.

Step 3: Final Answer:
Options (A), (B), and (C) are well-established tests for determining if time is of the essence. Option (D) describes a contractual feature that typically indicates that time is not of the essence. Therefore, it is not a correct factor for ascertaining that time is of the essence, making it the correct answer to the question.

Quick Tip

Remember that a clause for liquidated damages or extension of time usually implies that the parties foresaw a delay and pre-agreed on the consequence, which is compensation, not termination. This is a strong indicator that time is not of the essence.

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2. Which of the following is NOT a leading judgement on section 74 of the Indian Contract Act:

(A) Kailash Nath Associates v Delhi Development Authority [2015] 1 SCR 627.
(B) ONGC Ltd v Saw Pipes Ltd (2003) 5 SCC 705.
(C) Fateh Chand v Balkishan Dass (1964) 1 SCR 515.
(D) Satyabrata Ghose v Mugneeram Bangur& Co 1954 SCR 310.

Correct Answer: (D) Satyabrata Ghose v Mugneeram Bangur& Co 1954 SCR 310.

Solution:

Step 1: Understanding the Question:
The question requires identifying the court case from the given options that is not a landmark or leading judgment concerning Section 74 of the Indian Contract Act, 1872. Section 74 deals with compensation for breach of contract where a penalty or liquidated damages are stipulated.

Step 2: Detailed Explanation:
Let's analyze each option:
(A) **Kailash Nath Associates v Delhi Development Authority (2015):** This is a modern landmark Supreme Court judgment that extensively clarified the principles of Section 74. It held that damages awarded under Section 74 must be reasonable and a genuine pre-estimate of the loss, and proof of loss is necessary unless it is difficult or impossible to prove. It is a

leading case on Section 74.
(B) **ONGC Ltd v Saw Pipes Ltd (2003):** This is another significant Supreme Court case that interpreted Section 74. It dealt with the concept of "public policy" and laid down that the stipulated sum could be awarded as compensation if it is a genuine pre-estimate of loss, especially in cases where proving the actual loss is difficult. It is a leading case on Section 74.
(C) **Fateh Chand v Balkishan Dass (1964):** This is a foundational Supreme Court case on Section 74. The court held that Section 74 applies to all stipulations by way of penalty, including forfeiture of earnest money, and the court will only grant reasonable compensation not exceeding the stipulated amount. It is a cornerstone judgment for Section 74.
(D) **Satyabrata Ghose v Mugneeram Bangur & Co (1954):** This is a landmark Supreme Court judgment, but it is the leading authority on the **doctrine of frustration of contract**, which is covered under **Section 56** of the Indian Contract Act. It does not primarily deal with Section 74.

Step 3: Final Answer:
Based on the analysis, Satyabrata Ghose v Mugneeram Bangur & Co is a leading case on Section 56 (frustration of contract), not Section 74 (liquidated damages and penalties). Therefore, it is the correct answer.

Quick Tip

For law entrance exams, it's crucial to associate landmark cases with the specific legal doctrines or sections they interpret. For example: Satyabrata Ghose -¿ Frustration (Sec 56), Fateh Chand -¿ Penalty (Sec 74), Carlill v Carbolic Smoke Ball -¿ General Offer.

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3. Which of the following is a CORRECT proposition as regards award of damages in contract:

(A) In general, no damages in contract are awarded for injury to plaintiff's feelings or for mental distress, loss of reputation or social discredit caused by the breach of contract.
(B) In general, damages in contract are awarded for anguish and vexation caused by the breach of contract.
(C) In general, damages in contract are awarded for anguish and loss of reputation, but not for social discredit caused by the breach of contract.
(D) In general, damages in contract are awarded for emotional distress, but not for mental agony caused by the breach of contract.

Correct Answer: (A) In general, no damages in contract are awarded for injury to plaintiff's feelings or for mental distress, loss of reputation or social discredit caused by the breach of contract.

Solution:

Step 1: Understanding the Question:
The question asks to identify the correct general principle governing the award of damages for non-pecuniary (non-financial) losses in the law of contract.

Step 2: Detailed Explanation:
The fundamental principle of damages in contract law, established in the case of **Hadley v. Baxendale**, is to compensate the injured party for their financial losses that arise naturally from the breach. The goal is to put the plaintiff in the same financial position they would have been in had the contract been performed.
This principle generally excludes compensation for non-pecuniary losses.
- **Injury to feelings, mental distress, anguish, vexation:** The law generally does not award damages for these emotional harms in commercial contract breaches. There are very limited exceptions, for instance, in contracts where the primary purpose was to provide enjoyment or peace of mind (like a holiday package), but the general rule is one of no recovery.
- **Loss of reputation or social discredit:** Damages for loss of reputation are typically pursued in the law of torts (defamation), not contract. A breach of contract, even if it harms a person's reputation, is not generally a ground for awarding such damages.

Let's evaluate the options based on this principle:
(A) This option correctly states the general rule: no damages are awarded for injury to feelings, mental distress, loss of reputation, or social discredit. This is the correct proposition.
(B) This option claims damages are awarded for anguish and vexation, which contradicts the general rule.
(C) This option incorrectly suggests that damages for anguish and loss of reputation are awarded, which is contrary to the general principle.
(D) This option creates an artificial and incorrect distinction between "emotional distress" and "mental agony" and wrongly suggests damages are available for the former.

Step 3: Final Answer:
Option (A) accurately represents the general common law position on damages for non-pecuniary losses in contract law.

Quick Tip

Remember the core purpose of contract damages: to compensate for financial loss, not to punish the breacher or soothe hurt feelings. Damages for emotional distress are the exception, not the rule.

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4. Which of the following is/are CORRECT proposition(s) as regards the law on damages for the breach of contract under section 74 of the Indian Contract Act:

(A) Where a sum is named in the contract as a liquidated amount payable by way of damages, only reasonable compensation can be awarded not exceeding the amount so stated.
(B) In cases where the amount fixed is in the nature of penalty, only reasonable compensation

can be awarded, not exceeding the penalty so stated.
(C) The expression 'whether or not actual damage or loss is proved to have been caused thereby' in section 74 means that in every case the proof of actual damage or loss has been dispensed with.
(D) Both (A) and (B).

Correct Answer: (D) Both (A) and (B).

Solution:

Step 1: Understanding the Question:
The question asks to identify the correct legal proposition(s) concerning Section 74 of the Indian Contract Act, which deals with stipulated damages and penalties.

Step 2: Detailed Explanation:
The text provided in the passage itself summarizes Section 74. Let's analyze each proposition:
(A) "Where a sum is named in the contract as a liquidated amount payable by way of damages, only reasonable compensation can be awarded not exceeding the amount so stated." This is the essence of Section 74. Unlike English law, Indian law does not distinguish between liquidated damages (a genuine pre-estimate of loss) and a penalty (a deterrent). In both cases, the court has the discretion to award what it considers 'reasonable compensation', with the stipulated sum acting as an upper limit. This statement is correct.
(B) "In cases where the amount fixed is in the nature of penalty, only reasonable compensation can be awarded, not exceeding the penalty so stated." This is also correct for the same reason as above. Section 74 explicitly covers sums named as penalties, and the treatment is the same: award of reasonable compensation up to the stipulated amount.
(C) "The expression 'whether or not actual damage or loss is proved to have been caused thereby' in section 74 means that in every case the proof of actual damage or loss has been dispensed with." This is an incorrect interpretation of the law. The Supreme Court in **Kailash Nath Associates v. DDA** (2015) clarified this phrase. It held that the expression only applies in situations where it is difficult or impossible to prove the actual loss. If the loss is ascertainable, the plaintiff must prove it. Therefore, proof of loss is not dispensed with in every case. This statement is incorrect.
(D) Since propositions (A) and (B) are both correct statements of the law under Section 74, this option is the most accurate and complete answer.

Step 3: Final Answer:
Both (A) and (B) are correct propositions of law under Section 74 of the Indian Contract Act. Therefore, option (D) is the correct choice.

Quick Tip

Under Section 74, the key takeaways are: 1) Indian law treats liquidated damages and penalties similarly. 2) The court awards 'reasonable compensation'. 3) The stipulated amount is the maximum limit (cap), not the automatic award. 4) Proof of loss is required unless it's impossible or very difficult to prove.

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5. _____ will apply to cases of forfeiture of earnest money under a contract. Where, however, forfeiture takes place under the terms and conditions of a public auction before agreement is reached, section 74 would have no application:

(A) Section 55.
(B) Section 73.
(C) Section 74.
(D) Section 75.

Correct Answer: (C) Section 74.

Solution:

Step 1: Understanding the Question:
The question asks to identify the section of the Indian Contract Act that governs the forfeiture of earnest money under a contract.

Step 2: Detailed Explanation:
Earnest money is a deposit made by a buyer as a manifestation of good faith to bind a contract. If the buyer defaults, this amount is often forfeited. The question is how the law treats such forfeiture clauses.
The Supreme Court in the landmark case of **Fateh Chand v. Balkishan Dass (1964)** held that the principles of Section 74 apply to the forfeiture of earnest money. The court reasoned that a clause for forfeiture is a "stipulation by way of penalty."
Therefore, even if there is a clause for forfeiture of earnest money, the court will not allow the entire amount to be forfeited if it is penal in nature. The party forfeiting the money is only entitled to "reasonable compensation" for the loss suffered, and the amount of earnest money serves as the upper limit.
Let's review the options:
- (A) Section 55 deals with the time of performance, which is not directly relevant.
- (B) Section 73 provides for general damages where no amount is stipulated. Since earnest money involves a stipulated amount for forfeiture, the more specific Section 74 applies.
- (C) Section 74 deals with contracts containing a stipulation by way of penalty, which has been interpreted by courts to include clauses for the forfeiture of earnest money. This is the correct section.
- (D) Section 75 deals with compensation for a party who rightfully rescinds a contract, which is a related but different context. Section 74 is the specific provision for quantifying damages

where a penalty (like forfeiture) is stipulated.

Step 3: Final Answer:
Section 74 of the Indian Contract Act applies to cases of forfeiture of earnest money under a contract.

Quick Tip

Always remember that forfeiture of earnest money is not automatic. It is subject to the test of reasonableness under Section 74. The amount forfeited must be a genuine pre-estimate of the loss suffered by the non-defaulting party.

Passage II
"Law treats all contracts with equal respect and unless a contract is proved to suffer from any of the vitiating factors, the terms and conditions have to be enforced regardless of the relative strengths and weakness of the parties.
Section 28 of the Contract Act does not bar exclusive jurisdiction clauses. What has been barred is the absolute restriction of any party from approaching a legal forum. The right to legal adjudication cannot be taken away from any party through contract but can be relegated to a set of Courts for the ease of the parties. In the present dispute, the clause does not take away the right of the employee to pursue a legal claim but only restricts the employee to pursue those claims before the courts in Mumbai alone.
... the Court must already have jurisdiction to entertain such a legal claim. This limb pertains to the fact that a contract cannot confer jurisdiction on a court that did not have such a jurisdiction in the first place."
tracted from: Rakesh Kumar Verma v HDFC Bank Ltd 2025 INSC 473

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6. Which of the following propositions is CORRECT:

(A) It is, in general, open to the contracting parties to confer by their agreement jurisdiction on a court which does not possess the jurisdiction under the law.
(B) It is not open to the contracting parties to confer by their agreement jurisdiction on a court which does not possess the jurisdiction under the law.
(C) It is open to the contracting parties to confer by their written and registered agreement jurisdiction on a court which does not possess the jurisdiction under the law.
(D) If it is absolutely in the interest of the contracting parties, then only it is open to the contracting parties to confer by their agreement jurisdiction on a court which does not possess the jurisdiction under the law.

Correct Answer: (B) It is not open to the contracting parties to confer by their agreement jurisdiction on a court which does not possess the jurisdiction under the law.

Solution:

Step 1: Understanding the Question:
The question asks for the correct legal proposition regarding the ability of contracting parties to choose a court's jurisdiction by mutual agreement.

Step 2: Detailed Explanation:
The provided passage states a fundamental principle of civil procedure very clearly: "...a contract cannot confer jurisdiction on a court that did not have such a jurisdiction in the first place." This means that jurisdiction (be it subject-matter, pecuniary, or territorial) is conferred upon a court by statute (law), not by the consent or agreement of the parties. Parties can, however, choose one court among two or more courts that are legally competent to hear the matter. This is known as an 'ouster clause' or 'exclusive jurisdiction clause'.
Let's analyze the options:
(A) This statement suggests that parties can confer jurisdiction on a court that lacks it. This is directly contradicted by the passage and the law. Incorrect.
(B) This statement accurately reflects the law that parties cannot confer jurisdiction on a court that does not already possess it by law. This aligns perfectly with the passage. Correct.
(C) The method of agreement (written, registered) does not change the fundamental rule. Consent, in any form, cannot create jurisdiction where none exists. Incorrect.
(D) The interests of the parties are irrelevant. The lack of statutory jurisdiction cannot be overcome by the parties' convenience or desire. Incorrect.

Step 3: Final Answer:
The correct proposition is that parties cannot by agreement confer jurisdiction on a court that lacks it under the law.

Quick Tip

Remember the legal maxim: **ex dolo malo non oritur actio** (no right of action can have its origin in fraud) and similarly, consent cannot confer jurisdiction. Jurisdiction is a matter of law, not agreement.

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7. Which of the following propositions is NOT CORRECT about an ouster clause:

(A) Jurisdiction of civil courts is created by statute and cannot be created or conferred by consent of the parties upon a court which has not been granted jurisdiction by the law.
(B) Where two or more courts have under the law jurisdiction to try a suit or proceeding, an agreement between the parties that the dispute between them will be tried in one of such courts, is not contrary to public policy.
(C) Ouster clauses can oust the jurisdiction only of civil courts and not of the High Court, provided such jurisdiction exists in the High Court on account of part of cause of action having arisen with its territorial jurisdiction.
(D) An ouster clause is valid even if it confers exclusive jurisdiction on a court that otherwise

has no territorial or pecuniary jurisdiction over the matter.

Correct Answer: (D) An ouster clause is valid even if it confers exclusive jurisdiction on a court that otherwise has no territorial or pecuniary jurisdiction over the matter.

Solution:

Step 1: Understanding the Question:
The question asks to identify the incorrect statement about 'ouster clauses' (also known as exclusive jurisdiction clauses).

Step 2: Detailed Explanation:
An ouster clause is a contractual term by which parties agree to submit their disputes to a specific court, thereby 'ousting' the jurisdiction of other otherwise competent courts.
(A) This is a correct statement of law. Jurisdiction is statutory, not consensual.
(B) This is the very definition of a valid ouster clause. When multiple courts have jurisdiction, parties can validly agree to choose one. This is not against public policy and is permissible under Section 28 of the Contract Act. This is a correct statement.
(C) This statement is potentially misleading but not the most incorrect one. Parties can agree to oust the jurisdiction of one High Court in favour of another, provided both High Courts have concurrent original jurisdiction over the matter. So the premise that a High Court's jurisdiction cannot be ousted is not universally true in the context of choosing between multiple competent courts. However, compared to option D, it is less fundamentally flawed.
(D) This statement is fundamentally incorrect and directly contradicts the core principle of ouster clauses. For an ouster clause to be valid, the court chosen by the parties **must** have jurisdiction (territorial, pecuniary, etc.) under the general law. As the passage says, "the Court must already have jurisdiction to entertain such a legal claim." An agreement conferring jurisdiction on a court that has none is void and unenforceable. Therefore, this proposition is NOT CORRECT.

Step 3: Final Answer:
The statement that an ouster clause is valid even if it confers jurisdiction on a court that otherwise has none is patently false and against the established principles of law. Thus, it is the incorrect proposition.

Quick Tip

The golden rule for ouster clauses: Parties can choose a forum, but they cannot create one. The chosen court must be a court that would have had jurisdiction anyway.

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8. Which of the following cannot be a condition for an exclusive jurisdiction clause in a contract to be valid:

(A) It should be in consonance with section 28 of the Indian Contract Act, i.e. it should not absolutely restrict any party from initiating legal proceedings pertaining to the contract.
(B) The court which the parties have chosen for exclusive jurisdiction must be competent to have such jurisdiction.
(C) The parties must either impliedly or explicitly agree to subject themselves to the jurisdiction of a specific court for the resolution of their contractual dispute.
(D) The parties agree to the jurisdiction of a court that does not have the jurisdiction over the matter under the general law.

Correct Answer: (D) The parties agree to the jurisdiction of a court that does not have the jurisdiction over the matter under the general law.

Solution:

Step 1: Understanding the Question:
The question asks to identify which option is NOT a valid condition for an exclusive jurisdiction clause. In other words, which condition, if present, would make the clause invalid.

Step 2: Detailed Explanation:
Let's analyze the conditions for a valid exclusive jurisdiction clause:
(A) The clause should not impose an absolute bar on legal proceedings, but merely limit the choice of forum. This is a primary requirement under Section 28. This is a valid condition.
(B) The chosen court must be a court of competent jurisdiction. This is the most crucial requirement, as established in law and mentioned in the passage. This is a valid condition.
(C) There must be a clear agreement (express or implied) between the parties to confer exclusive jurisdiction on one court. This is necessary to show consensus ad idem. This is a valid condition.
(D) This option states that parties agree to the jurisdiction of a court that lacks jurisdiction under the law. This is the very factor that renders an exclusive jurisdiction clause void and unenforceable. Therefore, this CANNOT be a condition for the clause to be valid; it is a condition for its invalidity.

Step 3: Final Answer:
An agreement to confer jurisdiction on a court that has no jurisdiction under general law is the reason an exclusive jurisdiction clause fails. Hence, it cannot be a condition for its validity.

Quick Tip

Think of the conditions for a valid contract: they must be lawful. A clause conferring jurisdiction on a court that lacks it is unlawful and therefore void.

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9. Section 28 of the Indian Contract Act is subject to _____ appended to it:

(A) One exception.
(B) Two exceptions.
(C) Three exceptions.
(D) Four exceptions.

Correct Answer: (C) Three exceptions.

Solution:

Step 1: Understanding the Question:
The question asks for the number of exceptions provided under Section 28 of the Indian Contract Act, 1872.

Step 2: Key Formula or Approach:
This is a direct question based on the statutory provision of Section 28 of the Indian Contract Act. One must know the structure of the section.

Step 3: Detailed Explanation:
Section 28 declares agreements in restraint of legal proceedings as void. However, the section itself provides for certain exceptions, saving specific types of agreements from being void. These are:
Exception 1: Saving of contract to refer to arbitration disputes that may arise. This saves future arbitration clauses, where parties agree that any future dispute will be referred to arbitration.
Exception 2: Saving of contract to refer questions that have already arisen. This saves agreements to refer existing disputes to arbitration.
Exception 3: Saving of a guarantee agreement of a bank or a financial institution. This exception was added via the Banking Laws (Amendment) Act, 2012, and came into effect in 2013. It protects certain clauses in bank guarantees from being declared void under this section.

Step 4: Final Answer:
Counting the above, there are a total of three exceptions appended to Section 28 of the Indian Contract Act.

Quick Tip

Statutory questions often test your knowledge of recent amendments. Knowing that a third exception was added to Section 28 in 2013 is key to answering this question correctly. Always stay updated with amendments to major Acts.

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10. Which of the following agreements has/have been rendered void by section 28 of the Indian Contract Act:

(A) An agreement by which any party thereto is restricted absolutely from enforcing his rights under or in respect of any contract, by the usual legal proceedings in the ordinary tribunals.
(B) An agreement which limits the time within which any party thereto may enforce his contractual rights.
(C) Both (A) and (B).
(D) Neither (A) nor (B).

Correct Answer: (C) Both (A) and (B).

Solution:

Step 1: Understanding the Question:
The question asks to identify the types of agreements that are declared void by the main provision of Section 28 of the Indian Contract Act.

Step 2: Key Formula or Approach:
The answer lies in the text of Section 28 itself. The section reads:
"Every agreement, —
(a) by which any party thereto is restricted absolutely from enforcing his rights under or in respect of any contract, by the usual legal proceedings in the ordinary tribunals, or
(b) which limits the time within which he may thus enforce his rights,
is void to that extent."

Step 3: Detailed Explanation:
Let's examine the options in light of the statutory text:
(A) This option is a direct quote of clause (a) of Section 28. It describes an agreement that completely bars a party from going to court, which is void.
(B) This option is a direct quote of clause (b) of Section 28. It describes an agreement that shortens the statutory period of limitation for filing a suit (e.g., the law allows 3 years to sue, but the contract says you must sue within 1 year). Such an agreement is also void.
(C) Since both (A) and (B) accurately describe agreements that are rendered void by Section 28, this is the correct and most complete answer.
(D) This is incorrect as both (A) and (B) are rendered void.

Step 4: Final Answer:
Section 28 explicitly voids both agreements that absolutely restrict legal proceedings and those that limit the time for enforcing rights. Therefore, Both (A) and (B) are correct.

Quick Tip

Do not confuse an exclusive jurisdiction clause (which is valid) with an absolute restriction on legal proceedings (which is void). The former only chooses a court, while the latter denies access to any court.

Passage III

"The law is well settled that a constitutional court can award monetary compensation against the State and its officials for its failure to safeguard fundamental rights of citizens but there is no system or method to measure the damages caused in such situations. Quite often the courts have a difficult task in determining damages in various fact situations. The yardsticks normally adopted for determining the compensation payable in private tort claims are not as such applicable when a constitutional court determines the compensation in cases where there is a violation of fundamental rights guaranteed to its citizens.

... In D.K. Basu v. State of W.B. [(1997) SCC 1 416], a Constitution Bench of this Court held that there is no straitjacket formula for computation of damages and we find that there is no uniformity or yardstick followed in awarding damages for violation of fundamental rights. In Rudul Sah case [Rudul Sah v. State of Bihar, (1983) 4 SCC 141] this Court used the terminology 'palliative' for measuring the damages and the formula of 'adhoc' was applied. In Sebastian Hongray case [Sebastian M. Hongray v. Union of India, (1984) 3 SCC 82] the expression used by this Court for determining the monetary compensation was 'exemplary' costs and the formula adopted was 'punitive'. In Bhim Singh case [Bhim Singh v. State of J & K, (1985) 4 SCC 677], the expression used by the Court was 'compensation' and the method adopted was 'tortious formula'. In D.K. Basu v. State of W.B. [(1997) SCC 1 416] the expression used by this Court for determining the compensation was 'monetary compensation'. The formula adopted was 'cost to cost' method. Courts have not, therefore, adopted a uniform criterion since no statutory formula has been laid down."

tracted from: Municipal Corporation of Delhi, Delhi v Uphaar Tragedy Victims Association (2011) 14 SCC 481

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11. The public law proceedings serve a different purpose than the private law proceedings. The relief of monetary compensation, as exemplary damages, in proceedings under article 32 by the Supreme Court or under article 226 by the High Courts, for established infringement of the indefeasible right guaranteed under article 21 of the Constitution is a remedy available in _____ and is based on the strict liability for contravention of the guaranteed basic and indefeasible rights of the citizen:

(A) Public law.
(B) Private law.
(C) Civil law.
(D) All the above.

Correct Answer: (A) Public law.

Solution:

Step 1: Understanding the Question:
The question asks to identify the branch of law under which the remedy of monetary compen-

sation is awarded by constitutional courts (Supreme Court and High Courts) for the violation of fundamental rights, specifically Article 21.

Step 2: Detailed Explanation:
The passage explicitly distinguishes the compensation awarded by constitutional courts from that awarded in "private tort claims." Proceedings under Articles 32 and 226 are remedies against the State and its instrumentalities for the violation of constitutional rights. This is the classic domain of Public Law, which governs the relationship between the individual and the state.
- **Private law** deals with relationships between private individuals (e.g., contract law, tort law between citizens).
- **Civil law** is a broad category that includes private law, but Public Law is the more specific and accurate term for constitutional remedies against the State.
- The remedy is a public law remedy because it enforces the public duty of the state to protect the fundamental rights of its citizens. Therefore, the remedy is available in Public law.

Step 3: Final Answer:
The relief of monetary compensation for the infringement of fundamental rights is a remedy available in public law.

Quick Tip

Remember that actions against the State for violation of constitutional duties fall under Public Law, while actions between private parties for civil wrongs fall under Private Law (like Torts). Articles 32 and 226 are quintessential public law remedies.

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12. Choose the IN-CORRECT proposition about 'constitutional tort':

(A) In essence, it attributes vicarious liability on the State for acts and omissions of its agents which result in violation of fundamental rights of an individual or group.
(B) Constitutional law and tort law came to be merged by the Supreme Court which began allowing successful petitioners to recover monetary damages from the State for infraction of their fundamental rights.
(C) The causal connection between the act or omission and the resultant infraction of fundamental rights, is central to any determination of an action of constitutional tort.
(D) The doctrine of sovereign immunity absolutely protects the State from liability for all acts of its servants, including those that violate fundamental rights.

Correct Answer: (D) The doctrine of sovereign immunity absolutely protects the State from liability for all acts of its servants, including those that violate fundamental rights.

Solution:

Step 1: Understanding the Question:
The question asks to identify the false statement among the given propositions about the doctrine of 'constitutional tort'.

Step 2: Detailed Explanation:
Let's analyze each proposition:
(A) This is correct. Constitutional tort is based on the principle that the State is vicariously liable for the tortious acts of its employees that lead to a violation of a citizen's fundamental rights.
(B) This is correct. The Supreme Court of India, through its judicial activism, developed this remedy by blending principles of tort law (compensation for wrongs) with constitutional law (enforcement of fundamental rights).
(C) This is correct. To establish a claim for constitutional tort, the petitioner must prove a clear and direct link (causation) between the wrongful act of the state official and the violation of their fundamental right.
(D) This is incorrect. The entire jurisprudence of constitutional tort was developed to circumvent the archaic doctrine of sovereign immunity. In landmark cases like **Nilabati Behera v. State of Orissa**, the Supreme Court has unequivocally held that the defense of sovereign immunity is not available to the State in cases of violation of fundamental rights, especially the right to life and personal liberty under Article 21.

Step 3: Final Answer:
The statement that sovereign immunity absolutely protects the State from liability for fundamental rights violations is incorrect. In fact, the opposite is true.

Quick Tip

A key purpose of the evolution of Constitutional Tort in India was to make the State accountable and ensure that the defense of sovereign immunity does not act as a barrier to justice for victims of fundamental rights violations.

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13. Which of the following cases is NOT related to constitutional tort:

(A) Kaushal Kishor v State of Uttar Pradesh 2023 INSC 4.
(B) Bombay Hospital & Medical Research Centre v Asha Jaiswal 2021 INSC 801.
(C) Municipal Corporation of Delhi, Delhi v Uphaar Tragedy Victims Association (2011) 14 SCC 481.
(D) DK Basu v State of WB [(1997) SCC 1 416.

Correct Answer: (B) Bombay Hospital & Medical Research Centre v Asha Jaiswal 2021 INSC 801.

Solution:

Step 1: Understanding the Question:
The question asks to identify the case that does not primarily deal with the concept of 'constitutional tort', which involves state liability for violation of fundamental rights.

Step 2: Detailed Explanation:
(A) **Kaushal Kishor v State of Uttar Pradesh (2023):** This case dealt with the extent of freedom of speech and whether fundamental rights can be enforced against persons other than the State. While it is a significant constitutional law case, its primary focus is not on the award of monetary compensation under constitutional tort. However, it is deeply rooted in public constitutional law.
(B) **Bombay Hospital & Medical Research Centre v Asha Jaiswal (2021):** This case concerns medical negligence and the liability of a private hospital. This falls squarely within the domain of private tort law and consumer protection law, not constitutional tort, as the primary defendant is a private entity, and the action is not for a violation of fundamental rights by the State.
(C) **Municipal Corporation of Delhi... v Uphaar Tragedy Victims Association (2011):** The very passage is extracted from this case. It is a landmark judgment where the Supreme Court awarded compensation against state instrumentalities for their negligence leading to the Uphaar Cinema fire, thus affirming the principles of constitutional tort.
(D) **DK Basu v State of WB (1997):** This is a seminal case on custodial violence and torture. The passage explicitly mentions it as a case where the court dealt with awarding 'monetary compensation' for the violation of fundamental rights, making it a classic example of constitutional tort.
Comparing the options, the Bombay Hospital case is the most distinct as it is a private law dispute about medical negligence, whereas constitutional tort is a public law remedy against the State.

Step 3: Final Answer:
The case of **Bombay Hospital & Medical Research Centre v Asha Jaiswal** is not related to constitutional tort; it is a case of medical negligence under private law.

Quick Tip

Constitutional tort involves the State as the primary defendant for a breach of a public duty tied to fundamental rights. Cases involving private disputes, like medical negligence against a private hospital, fall under private law (tort/consumer law).

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14. Which of the following propositions is/are CORRECT about the award of damages in cases where there is violation of fundamental rights:

(A) Constitutional courts can in appropriate cases of serious violation of life and liberty of the individuals award punitive damages.
(B) Owing to lack of legislation, the Courts dealing with the cases of tortious claims against State and its officials are not following a uniform pattern while deciding those claims and this,

at times, leads to undesirable consequences and arbitrary fixation of compensation amount.
(C) Both (A) and (B).
(D) Neither (A) nor (B).

Correct Answer: (C) Both (A) and (B).

Solution:

Step 1: Understanding the Question:
The question asks to identify the correct statement(s) regarding the award of damages for fundamental rights violations, based on the provided passage and general legal principles.

Step 2: Detailed Explanation:
(A) The passage mentions the **Sebastian Hongray** case, where the court used the term 'exemplary' costs and the formula was 'punitive'. Punitive or exemplary damages are awarded to punish the wrongdoer (the State, in this case) and deter future violations. This is considered appropriate in cases of egregious violations of fundamental rights like life and liberty. Thus, this statement is correct.
(B) The passage explicitly states, "...there is no system or method to measure the damages...", "...no straitjacket formula...", and "...Courts have not, therefore, adopted a uniform criterion since no statutory formula has been laid down." This directly supports the proposition that the lack of legislation leads to a non-uniform pattern in awarding compensation. Thus, this statement is also correct.
(C) Since both propositions (A) and (B) are correct and supported by the passage, this is the most accurate answer.

Step 3: Final Answer:
Both statements (A) and (B) are correct propositions regarding the award of damages for the violation of fundamental rights.

Quick Tip

The nature of constitutional remedies is flexible and evolves through judicial interpretation. For fundamental rights violations, damages can be compensatory, palliative, or even punitive, and the quantum is decided on a case-by-case basis due to the absence of a specific statute.

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15. The principle of sovereign immunity of the State for the tortious acts of its servant, has been held to be _____ in the case of violation of fundamental rights:

(A) Always applicable.
(B) Inapplicable.
(C) A good defence.

(D) Occasionally applicable.

Correct Answer: (B) Inapplicable.

Solution:

Step 1: Understanding the Question:
The question asks about the applicability of the doctrine of sovereign immunity as a defense for the State when its actions lead to a violation of a citizen's fundamental rights.

Step 2: Detailed Explanation:
The doctrine of sovereign immunity is an old common law principle that "the King can do no wrong," meaning the state cannot be sued in its own courts without its consent. However, the Supreme Court of India, in its role as the guardian of the Constitution, has significantly diluted this doctrine in the context of fundamental rights.
Starting with cases like **Rudul Sah v. State of Bihar** and firmly established in **Nilabati Behera v. State of Orissa**, the Supreme Court has held that the State cannot claim sovereign immunity as a defense to a proceeding under Article 32 or 226 for the violation of fundamental rights. The Court reasoned that the State has a constitutional duty to protect these rights, and it must compensate the victim if it fails in this duty. Therefore, the principle is considered inapplicable in such cases.

Step 3: Final Answer:
The principle of sovereign immunity has been held to be inapplicable in cases involving the violation of fundamental rights.

Quick Tip

When fundamental rights are violated, the State's duty to protect them overrides the archaic defense of sovereign immunity. This is a cornerstone of public law remedies in India.

Passage IV
It is well recognized that actionable negligence in context of medical profession involves three constituents (i) duty to exercise due care; (ii) breach of duty and (iii) consequential damage. However, a simple lack of care, an error of judgment or an accident is not sufficient proof of negligence on part of the medical professional so long as the doctor follows the acceptable practice of the medical profession in discharge of his duties. He cannot be held liable for negligence merely because a better alternative treatment or course of treatment was available or that more skilled doctors were there who could have administered better treatment.
A medical professional may be held liable for negligence only when he is not possessed with the requisite qualification or skill or when he fails to exercise reasonable skill which he possesses in giving the treatment. None of the above two essential

conditions for establishing negligence stand satisfied in the case at hand as no evidence was brought on record to prove that Dr. Neeraj Sud had not exercised due diligence, care or skill which he possessed in operating the patient and giving treatment to him. When reasonable care, expected of the medical professional, is extended or rendered to the patient unless contrary is proved, it would not be a case for actionable negligence.
tracted with edits and revisions from Neeraj Sud v Jaswinder Singh 2024 INSC 825

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16. In which of the following situations, a professional would be held liable for negligence:

(A) If he was not possessed of the requisite skill which he professed to have possessed, or, he did not exercise, with reasonable competence, in the given case, the skill which he did possess.
(B) If he failed to use exceptional or extraordinary precautions which might have prevented the damage (particular happening).
(C) Both (A) and (B).
(D) Neither (A) nor (B).

Correct Answer: (A) If he was not possessed of the requisite skill which he professed to have possessed, or, he did not exercise, with reasonable competence, in the given case, the skill which he did possess.

Solution:

Step 1: Understanding the Question:
The question asks for the conditions under which a medical professional would be considered negligent and held liable.

Step 2: Detailed Explanation:
The passage provides a clear answer. It states: "A medical professional may be held liable for negligence only when he is not possessed with the requisite qualification or skill or when he fails to exercise reasonable skill which he possesses in giving the treatment."
Let's evaluate the options:
(A) This option is a direct and accurate restatement of the conditions mentioned in the passage. A doctor can be liable either for lacking the skill they claim to have or for having the skill but failing to apply it with reasonable care. This is the correct basis for liability.
(B) This option suggests liability for failing to use "exceptional or extraordinary precautions." This is incorrect. The law holds a professional to a standard of "reasonable care," not the highest possible standard or an exceptional one. The standard is that of an ordinary competent practitioner.
(C) Since (B) is incorrect, this option is also incorrect.
(D) Since (A) is correct, this option is incorrect.

Step 3: Final Answer:
A professional would be held liable under the circumstances described in option (A).

Quick Tip

The standard of care for a professional is one of "reasonableness," not "perfection." They are not liable for mere errors of judgment or for not being the most skilled expert in the field.

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17. Which of the following propositions is INCORRECT as regards negligence in civil law and in criminal law:

(A) The jurisprudential concept of negligence differs in civil law and criminal law.
(B) What may be negligence in civil law may not necessarily be negligence in criminal law.
(C) For an act to amount to criminal negligence, the degree of negligence should be much higher, i.e. gross or of a very high degree.
(D) For negligence to amount to both a 'tort' and an 'offence', the element of mens rea must necessarily be shown to have existed.

Correct Answer: (D) For negligence to amount to both a 'tort' and an 'offence', the element of mens rea must necessarily be shown to have existed.

Solution:

Step 1: Understanding the Question:
The question asks to identify the incorrect statement that compares negligence in civil law (tort) and criminal law (offence).

Step 2: Detailed Explanation:
(A) This is correct. Civil negligence is the breach of a duty of care causing damage. Criminal negligence requires a much higher degree of fault, showing a wanton or reckless disregard for human life and safety.
(B) This is correct. Because the standard for criminal negligence is higher, an act of simple carelessness might constitute a civil tort but would not be sufficient to attract criminal liability.
(C) This is correct. The Supreme Court in cases like **Jacob Mathew v. State of Punjab** has repeatedly held that for a doctor to be held criminally liable (e.g., under Sec 304A IPC), the negligence must be "gross" or "reckless" to a very high degree.
(D) This is incorrect. Negligence, both as a tort and as a criminal offence, is fundamentally about a failure to exercise care; it is characterized by the absence of a particular state of mind (i.e., carelessness or inadvertence). It does not require **mens rea** (a guilty mind, such as intention or knowledge). While most crimes require **mens rea**, negligence is an exception where the fault lies in the conduct itself, not in the mental state. Therefore, it is not necessary to show **mens rea** for an act of negligence to be both a tort and an offence.

Step 3: Final Answer:
The proposition that mens rea must be shown for negligence to be both a tort and an offence

is incorrect.

Quick Tip

Remember the distinction: Civil negligence = carelessness. Criminal negligence = gross, reckless, culpable carelessness. Neither necessarily requires a guilty mind (mens rea) like intention.

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18. The basis or the yardstick for judging the performance of the professional proceeded against on indictment of negligence is:

(A) That of an ordinary and reasonably competent person exercising ordinary skill in that profession.
(B) That of a person with the highest level of expertise or skills in that branch which he practices.
(C) That of a person with the highest level of expertise or skills in that branch which he practices, and possessing the knowledge of all latest developments.
(D) Both (B) and (C).

Correct Answer: (A) That of an ordinary and reasonably competent person exercising ordinary skill in that profession.

Solution:

Step 1: Understanding the Question:
The question asks for the legal standard or "yardstick" used to assess whether a professional (like a doctor) has been negligent.

Step 2: Detailed Explanation:
The established legal standard for professional negligence is based on the "Bolam test" from the English case **Bolam v Friern Hospital Management Committee**. This test, which is followed in India, sets the standard of care as that of a reasonable professional in the same field.
(A) This option accurately describes the Bolam test. The professional is judged against their peers of ordinary skill and competence, not against the best in the field. The passage supports this by referring to "acceptable practice" and "reasonable care".
(B) This sets the standard too high. The law does not expect every professional to have the "highest level of expertise."
(C) This sets an even more impossibly high standard by requiring knowledge of "all latest developments." While professionals are expected to keep reasonably up-to-date, they are not expected to know everything instantly.
(D) Since (B) and (C) are incorrect, this option is also incorrect.

Step 3: Final Answer:
The correct yardstick is that of an ordinary and reasonably competent person exercising ordinary skill in that profession.

Quick Tip

The standard of care in professional negligence is the "Bolam Test": Are you acting in accordance with a practice accepted as proper by a responsible body of professional opinion? It's a peer-based standard, not a standard of perfection.

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19. Deviation from normal medical practice is not necessarily evidence of negligence. In order to establish liability of a medical practitioner on that basis, which of the following requirements has/have to be shown:

(A) That, there is a usual and normal practice; and the medical practitioner (defendant) has not adopted it.
(B) That, the course in fact adopted by the medical practitioner (defendant) is one, which no professional man of ordinary skill would have taken, had he been acting with ordinary care.
(C) Both (A) and (B).
(D) Neither (A) nor (B).

Correct Answer: (C) Both (A) and (B).

Solution:

Step 1: Understanding the Question:
The question asks what needs to be proven to establish that a deviation from normal practice amounts to negligence.

Step 2: Detailed Explanation:
To prove negligence based on deviation from a standard practice, a plaintiff must establish two things:
1. **The existence of a normal practice:** First, it must be shown what the "usual and normal practice" is in such cases. Without establishing a baseline, one cannot prove a deviation. This corresponds to option (A).
2. **The unreasonableness of the deviation:** Second, it must be proven that the deviation was not just different, but was one that no reasonable practitioner would have undertaken. This means the chosen course of action fell below the minimum standard of care. This corresponds to option (B), which is a key part of the legal test for negligence (the **Bolitho** gloss on the **Bolam** test).
Therefore, to successfully establish liability, both elements must be shown. It's not enough to just show a deviation (A); the deviation must be shown to be negligent (B).

Step 3: Final Answer:
Both requirements (A) and (B) must be shown to establish liability for negligence based on a deviation from normal practice.

Quick Tip

Innovation in medicine is not negligence. To prove negligence, you must show not only that the doctor deviated from the norm, but also that the deviation was logically indefensible and something no other reasonable doctor would have done.

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20. A medical practitioner would not be held liable:

(A) Where his conduct fell below that of the standards of a reasonably competent practitioner in his field.
(B) Where things went wrong from mischance or misadventure or through an error of judgment in choosing one reasonable course of treatment in preference of another.
(C) Both (A) and (B).
(D) Neither (A) nor (B).

Correct Answer: (B) Where things went wrong from mischance or misadventure or through an error of judgment in choosing one reasonable course of treatment in preference of another.

Solution:

Step 1: Understanding the Question:
The question asks to identify a situation where a medical practitioner would NOT be held liable for negligence.

Step 2: Detailed Explanation:
Let's analyze the options:
(A) This option describes the very definition of medical negligence. If a practitioner's conduct falls below the standard of a reasonably competent peer, they **are** liable. So this is a situation of liability, not non-liability.
(B) This option describes situations that are generally accepted as valid defenses to a negligence claim. The law does not expect perfection. Medicine is not an exact science, and an "error of judgment" in choosing between two or more accepted and reasonable courses of treatment is not negligence, even if the outcome is not ideal. Similarly, "mischance or misadventure" implies an unforeseeable accident rather than a lack of care. The passage supports this by stating, "...an error of judgment or an accident is not sufficient proof of negligence...". Therefore, a practitioner would not be held liable in this situation.
(C) This is incorrect because (A) describes a situation of liability.
(D) This is incorrect because (B) correctly describes a situation of non-liability.

Step 3: Final Answer:
A medical practitioner would not be held liable where the negative outcome was due to an error of judgment in choosing between reasonable options, or due to a mischance or misadventure.

Quick Tip

Medicine involves inherent risks. A doctor is not a guarantor of a cure. As long as the doctor acts reasonably and chooses a course of action supported by professional opinion, they are not liable for an 'error of judgment'.

Passage V
Today, in the year 2025, we have been experiencing the drastic consequences of large scale destruction of environment on human lives in the capital city of our country and in many other cities. At least for a span of two months every year, the residents of Delhi suffocate due to air pollution. The AQI level is either dangerous or very dangerous. They suffer in their health. The other leading cities are not far behind. The air and water pollution in the cities is ever increasing. Therefore, coming out with measures such as the 2021 Official Memorandum is violative of fundamental rights of all persons guaranteed under Article 21 to live in a pollution free environment. It also infringes the right to health guaranteed under Article 21 of the Constitution.
The 2021 OM talks about the concept of development. Can there be development at the cost of environment? Conservation of environment and its improvement is an essential part of the concept of development. Therefore, going out of the way by issuing such OMs to protect those who have caused harm to the environment has to be deprecated by the Courts which are under a constitutional and statutory mandate to uphold the fundamental right under Article 21 and to protect the environment. In fact, the Courts should comedown heavily on such attempts. As stated earlier, the 2021 OM deals with project proponents who were fully aware of the EIA notification and who have taken conscious risk to flout the EIA notification and go ahead with the construction/continuation/expansion of projects. They have shown scant respect to the law and their duty to protect the environment. Apart from violation of Article 21, such action is completely arbitrary which is violative article 14 of the Constitution of India, besides being violative of the 1986 Act and the EIA notification.
(Extracted with edits from Vanashakti v. Union of India, 2025 INSC 718)

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21. What was the central controversy in the petition, Vanashakti v. Union of India?

(A) The constitutional validity of the Environment (Protection) Act, 1986.
(B) The determination of pollution load standards for Category 'B' projects.
(C) The ex post facto grant of Environmental Clearance (EC).
(D) The delegation of powers to the State Environment Impact Assessment Authority (SEIAA).

Correct Answer: (C) The ex post facto grant of Environmental Clearance (EC).

Solution:

Step 1: Understanding the Question:
The question asks to identify the main issue or controversy in the case from which the passage is extracted.

Step 2: Detailed Explanation:
The passage heavily criticizes an "Official Memorandum" (OM) for protecting "those who have caused harm to the environment" and who have "flouted the EIA notification". It talks about project proponents who went ahead with construction without prior clearance, taking a "conscious risk". The legal term for granting clearance after the project has already started or been completed is "ex post facto" clearance. The passage's strong condemnation of this practice indicates that the validity of such retrospective clearances was the central issue.
- Option (A) is incorrect as the validity of the parent Act was not the issue.
- Option (B) is too specific and not the main theme of the passage.
- Option (D) deals with delegation, which is not mentioned.
- Option (C) perfectly captures the essence of the controversy described: granting environmental clearance after the fact to projects that violated the law by not obtaining it beforehand.

Step 3: Final Answer:
The central controversy in the petition was the grant of ex post facto Environmental Clearance.

Quick Tip

"Ex post facto" means "after the fact." In environmental law, it refers to the illegal practice of granting clearance to a project that has already started without the legally required prior approval.

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22. The Environment Impact Assessment (EIA) Notification, 2006, which mandates prior EC, was issued by the Central Government under which primary legislation?

(A) The Wild Life (Protection) Act, 1972.
(B) The Biological Diversity Act, 2002.
(C) The Environment (Protection) Act, 1986.
(D) The National Green Tribunal Act, 2010.

Correct Answer: (C) The Environment (Protection) Act, 1986.

Solution:

Step 1: Understanding the Question:
The question asks for the parent or primary Act under which the EIA Notification, 2006 was issued.

Step 2: Detailed Explanation:
The Environment (Protection) Act, 1986 (EPA) is an "umbrella" legislation that gives wide-ranging powers to the Central Government to protect and improve the environment. Section 3 of the EPA empowers the Central Government to take all such measures as it deems necessary or expedient for the purpose of protecting and improving the quality of the environment. Under this power, the government issues various rules and notifications. The EIA Notification, which mandates prior environmental clearance for certain projects, is one such notification issued under the authority of the EPA, 1986.
- The other acts listed have different, more specific purposes: Wildlife Protection, Biodiversity, and establishing the NGT. The EPA is the broad framework legislation for environmental regulation.

Step 3: Final Answer:
The EIA Notification, 2006 was issued under the Environment (Protection) Act, 1986.

Quick Tip

Remember that the Environment (Protection) Act, 1986, is the key "umbrella" law in India for environmental regulation, under which many important rules and notifications (like EIA, Coastal Regulation Zone rules, etc.) are framed.

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23. The Supreme Court reiterated a concluded finding that the concept of ex post facto or retrospective Environmental Clearance (EC) is:

(A) Detrimental to the environment but permissible under Article 142 of the Constitution.
(B) Completely alien to environmental jurisprudence and the EIA notification.
(C) A necessary measure to bring defaulting entities into regulatory compliance.
(D) A valid administrative decision protected by Section 3 of the 1986 Act.

Correct Answer: (B) Completely alien to environmental jurisprudence and the EIA notification.

Solution:

Step 1: Understanding the Question:
The question asks for the Supreme Court's established view on the legality and validity of ex post facto Environmental Clearance.

Step 2: Detailed Explanation:
The Supreme Court of India, in several landmark judgments, including **Alembic Pharma-**

ceuticals Ltd. v. Rohit Prajapati, has held that the concept of ex post facto EC is fundamentally contrary to environmental law. The entire purpose of an Environmental Impact Assessment is to predict and evaluate the potential environmental impacts of a project **before** any irreversible damage is done. Granting clearance after the project is already underway defeats this purpose. The court has described it as a "fait accompli" situation where the regulator is left with little choice. The passage reflects this view by stating that such actions are "violative of the 1986 Act and the EIA notification".
- (A) is incorrect. While the court has used Article 142 to balance equities, it has never held that ex post facto clearance is a permissible norm.
- (C) reflects the argument of the government/project proponents, not the finding of the court. The court has rejected this justification.
- (D) is incorrect as the court has found it to be contrary to the spirit and letter of the Act.
- (B) accurately captures the court's consistent position that this practice is alien to the principles of environmental law.

Step 3: Final Answer:
The Supreme Court has held that the concept of ex post facto EC is completely alien to environmental jurisprudence.

Quick Tip

The core principle of EIA is "prevention is better than cure." Ex post facto clearance attempts to "cure" a violation after the fact, which undermines the entire preventative framework of environmental law.

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24. The EIA Notification 2006, mandates that prior Environmental Clearance (EC) must be obtained at what stage of a project?

(A) Before commencing operations or processes.
(B) Within six months of a project's completion.
(C) After the public hearing but before the final appraisal.
(D) Before any construction work, or preparation of land is started on the project.

Correct Answer: (D) Before any construction work, or preparation of land is started on the project.

Solution:

Step 1: Understanding the Question:
The question asks for the specific stage at which prior Environmental Clearance is legally required under the EIA Notification, 2006.

Step 2: Detailed Explanation:
The EIA Notification, 2006, is very clear about the "prior" nature of the clearance. The term

"prior" means before any activity related to the project begins on the ground. This includes not just the main construction or operation but also preparatory work like site clearance, levelling of land, etc. The idea is to assess the environmental impact before any irreversible change is made to the site.
- (A) is too late; much of the environmental damage from construction would have already occurred by the time operations commence.
- (B) is ex post facto and illegal.
- (C) is a stage within the EC process, not the point before which EC must be obtained.
- (D) correctly identifies the earliest stage. The clearance is required before any physical work starts on the project site.

Step 3: Final Answer:
Prior EC must be obtained before any construction work, or preparation of land is started on the project.

Quick Tip

For EIA, "prior" means right at the beginning. No digging, no clearing, no construction until the Environmental Clearance certificate is in hand.

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25. Allowing for ex post facto clearance was held to be contrary to which two fundamental principles of environmental jurisprudence?

(A) Doctrine of Necessity and Principle of Stare Decisis.
(B) Polluter Pays Principle and Public Trust Doctrine.
(C) Precautionary Principle and Sustainable Development.
(D) Doctrine of Sovereign immunity and doctrine of Public Trust

Correct Answer: (C) Precautionary Principle and Sustainable Development.

Solution:

Step 1: Understanding the Question:
The question asks to identify two core principles of environmental law that are violated by the practice of granting ex post facto clearance.

Step 2: Detailed Explanation:
Let's analyze the principles:
- **Precautionary Principle:** This principle states that where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation. The EIA process is a classic application of this principle – you assess the risk *before* you act. Ex post facto clearance completely violates this by allowing the action to proceed without prior assessment of risk.
- **Sustainable Development:** This principle seeks to balance development and environmental

protection. It ensures that development meets the needs of the present without compromising the ability of future generations to meet their own needs. A key component of sustainable development is the integration of environmental considerations at the earliest stages of decision-making, which is what the EIA process does. Ex post facto clearance prioritizes development first and considers the environment later (if at all), which is the antithesis of sustainable development.
- **Polluter Pays Principle** applies after pollution has occurred. While related, it's not the primary principle violated by the *process* of ex post facto clearance itself.
- **Public Trust Doctrine** relates to the government's duty to protect natural resources for the public. While violated, the most directly offended principles are precautionary and sustainable development.
- The other options (A and D) list principles not as directly relevant to the procedural violation inherent in ex post facto clearance.

Step 3: Final Answer:
Allowing for ex post facto clearance is fundamentally contrary to the Precautionary Principle and the principle of Sustainable Development.

Quick Tip

Precautionary Principle = Look before you leap. Sustainable Development = Don't saw off the branch you're sitting on. Ex post facto clearance = Leaping without looking and then checking if the branch is still there.

Passage VI
With the Paris Agreement, countries established an enhanced transparency framework (ETF). Under ETF, starting in 2024, countries will report transparently on actions taken and progress in climate change mitigation, adaptation measures and support provided or received. It also provides for international procedures for the review of the submitted reports.
The information gathered through the ETF will feed into the Global stocktake which will assess the collective progress towards the long-term climate goals. This will lead to recommendations for countries to set more ambitious plans in the next round.
Although climate change action needs to be massively increased to achieve the goals of the Paris Agreement, the years since its entry into force have already sparked low-carbon solutions and new markets. More and more countries, regions, cities and companies are establishing carbon neutrality targets. Zero-carbon solutions are becoming competitive across economic sectors representing 25% of emissions. This trend is most noticeable in the power and transport sectors and has created many new business opportunities for early movers. By 2030, zero-carbon solutions could be competitive in sectors representing over 70% of global emissions.
(Extracted with edits from the website UNFCCC.INT)

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26. What is the central, long-term temperature goal of the Paris Agreement?

(A) To limit the global temperature increase to exactly 1.5 degrees
(B) To hold the increase in the global average temperature to well below 2 degrees above pre-industrial levels and to pursue efforts to limit it to 1.5 degrees.
(C) To reduce the global average temperature to pre-industrial levels by the year 2100.
(D) To limit the global temperature increase to 3 degrees above pre-industrial levels.

Correct Answer: (B) To hold the increase in the global average temperature to well below 2 degrees above pre-industrial levels and to pursue efforts to limit it to 1.5 degrees.

Solution:

Step 1: Understanding the Question:
The question asks for the specific long-term temperature goal as stated in the Paris Agreement.

Step 2: Detailed Explanation:
Article 2 of the Paris Agreement sets out its long-term goals. The central temperature goal is twofold:
1. Holding the increase in the global average temperature to **well below 2°C** above pre-industrial levels.
2. Pursuing efforts to limit the temperature increase to **1.5°C** above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change.
Option (B) accurately captures this dual-faceted goal.
- (A) is incorrect because 1.5°C is the aspirational target, not the primary binding limit, which is "well below 2°C".
- (C) is incorrect; the goal is to limit the *increase* from pre-industrial levels, not return to them.
- (D) is incorrect as the limit is well below 2°C, not 3°C.

Step 3: Final Answer:
The central goal is to hold the temperature increase to well below 2 degrees and pursue efforts to limit it to 1.5 degrees.

Quick Tip

Remember the Paris Agreement's temperature goal as "Well below 2°C, aiming for 1.5°C." This phrasing is key and often tested.

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27. The Paris Agreement calls for a process to periodically assess the collective progress toward achieving its long-term goals. What is this process called?

(A) The Compliance Mechanism
(B) The Global Stocktake

(C) The Transparency Framework
(D) The Adaptation Communication

Correct Answer: (B) The Global Stocktake

Solution:

Step 1: Understanding the Question:
The question asks for the name of the process within the Paris Agreement that periodically assesses collective progress towards its goals.

Step 2: Detailed Explanation:
The passage provides the answer directly: "The information gathered through the ETF will feed into the **Global stocktake** which will assess the collective progress towards the long-term climate goals." This process is designed to be a comprehensive check-in every five years to see how the world is doing collectively and to inform the next round of national climate plans (NDCs).
- (A) The Compliance Mechanism is a separate process to facilitate implementation and promote compliance.
- (C) The Transparency Framework (ETF) is the system for reporting data that *feeds into* the Global Stocktake. It is the reporting part, not the assessment part.
- (D) Adaptation Communication is a vehicle for countries to report on their adaptation priorities and needs.

Step 3: Final Answer:
The process for periodically assessing collective progress is called the Global Stocktake.

Quick Tip

Think of it this way: Countries report their data through the Transparency Framework (ETF), and then the Global Stocktake "takes stock" of all that data to see where the world stands.

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28. Which previous International Climate Treaty did the Paris Agreement succeed and replace in terms of its operational framework after 2020?

(A) The Montreal Protocol
(B) The Basel Convention
(C) The Kyoto Protocol
(D) The Convention on Biological Diversity (CBD)

Correct Answer: (C) The Kyoto Protocol

Solution:

Step 1: Understanding the Question:
The question asks which international climate treaty's framework was replaced by the Paris Agreement after the year 2020.

Step 2: Detailed Explanation:
The international climate change regime is structured under the United Nations Framework Convention on Climate Change (UNFCCC).
- The **Kyoto Protocol** was adopted in 1997 as a protocol to the UNFCCC. It established legally binding emission reduction targets for developed countries for a first commitment period (2008-2012) and a second one (2013-2020).
- The **Paris Agreement**, adopted in 2015, was designed to create a new, comprehensive framework that would apply to all countries from 2020 onwards, succeeding the Kyoto Protocol's approach.
The other treaties listed deal with different environmental issues:
- (A) The Montreal Protocol deals with ozone-depleting substances.
- (B) The Basel Convention deals with the transboundary movement of hazardous wastes.
- (D) The CBD deals with the conservation of biological diversity.

Step 3: Final Answer:
The Paris Agreement succeeded the Kyoto Protocol as the main operational instrument under the UNFCCC for the post-2020 period.

Quick Tip

The timeline of major climate treaties is: UNFCCC (1992 - the framework) -¿ Kyoto Protocol (1997 - first set of binding targets for some) -¿ Paris Agreement (2015 - new framework for all from 2020).

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29. The Paris Agreement establishes a clear distinction in obligations between developed and developing countries regarding:

(A) The long-term temperature goal, with different limits for each group.
(B) Mitigation efforts, by requiring only developed countries to submit NDCs.
(C) Climate finance, by requiring developed countries to provide financial resources to assist developing countries.
(D) The principle of sovereignty, by allowing only developing countries to withdraw from the Agreement.

Correct Answer: (C) Climate finance, by requiring developed countries to provide financial resources to assist developing countries.

Solution:

Step 1: Understanding the Question:
The question asks in which area the Paris Agreement maintains a clear differentiation in the obligations between developed and developing countries.

Step 2: Detailed Explanation:
While the Paris Agreement moved away from the strict bifurcation of the Kyoto Protocol, it still upholds the principle of "Common But Differentiated Responsibilities and Respective Capabilities" (CBDR-RC). This differentiation is most pronounced in the area of climate finance.
(A) The long-term temperature goal is global and applies to all countries collectively. Incorrect.
(B) A key feature of the Paris Agreement is that **all** countries (both developed and developing) are required to submit Nationally Determined Contributions (NDCs) for mitigation. Incorrect.
(C) Article 9 of the Paris Agreement explicitly states that **developed** countries shall provide financial resources to assist **developing** countries with both mitigation and adaptation. While developing countries are encouraged to provide support voluntarily, the primary obligation rests with developed nations. This is a clear distinction. Correct.
(D) The right to withdraw from the Agreement is available to any party, not just developing countries. Incorrect.

Step 3: Final Answer:
The clearest distinction in obligations is in climate finance, where developed countries are obligated to provide financial assistance to developing countries.

Quick Tip

Under the Paris Agreement: Mitigation (NDCs) is for everyone. Finance (providing funds) is an obligation for developed countries. Transparency (reporting) is for everyone, with flexibility for developing countries.

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30. The mechanism known as "Loss and Damage" in the context of climate change, which addresses the unavoidable adverse effects of climate change, is reinforced in the Paris Agreement through the:

(A) Technology Executive Committee.
(B) Global Stocktake.
(C) Warsaw International Mechanism (WIM).
(D) Adaptation Fund.

Correct Answer: (C) Warsaw International Mechanism (WIM).

Solution:

Step 1: Understanding the Question:
The question asks to identify the specific mechanism through which the concept of "Loss and Damage" is addressed within the Paris Agreement.

Step 2: Detailed Explanation:
"Loss and Damage" refers to the impacts of climate change that go beyond what people can adapt to. This includes both extreme weather events (like hurricanes) and slow-onset events (like sea-level rise).
- The **Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts (WIM)** was established in 2013 at COP 19 in Warsaw.
- Article 8 of the Paris Agreement formally recognizes the importance of averting, minimizing, and addressing loss and damage and explicitly anchors the WIM as the primary vehicle under the Agreement to address this issue.
- The other options are related but distinct: The Technology Executive Committee deals with technology transfer, the Global Stocktake assesses progress, and the Adaptation Fund finances adaptation projects. The WIM is specifically dedicated to Loss and Damage.

Step 3: Final Answer:
The Warsaw International Mechanism (WIM) is the mechanism that addresses Loss and Damage and is reinforced by Article 8 of the Paris Agreement.

Quick Tip

Remember the three pillars of climate action: 1) Mitigation (reducing emissions), 2) Adaptation (adjusting to impacts), and 3) Loss and Damage (addressing impacts you can't adapt to). The WIM is the main body for the third pillar.

VII. SEBI was established as India's principal capital markets regulator with the aim to protect the interest of investors in securities and promote the development and regulation of the securities market in India. SEBI is empowered to regulate the securities market in India by the SEBI Act 1992, the SCRA and the Depositories Act 1996. SEBI's powers to regulate the securities market are wide and include delegated legislative, administrative, and adjudicatory powers to enforce SEBI's regulations. SEBI exercises its delegated legislative power by inter alia framing regulations and appropriately amending them to keep up with the dynamic nature of the securities' market. SEBI has issued a number of regulations on various areas of security regulation which form the backbone of the framework governing the securities market in India. Section 11 of the SEBI Act lays down the functions of SEBI and expressly states that it "shall be the duty of the Board to protect the interests of investors in securities and to promote the development of, and to regulate the securities market, by such measures as it thinks fit". Further, Section 30 of the SEBI Act empowers SEBI to make regulations consistent with the Act. Significantly, while framing these regulations, SEBI consults its advisory committees consisting of domain experts, including market experts, leading market players, legal experts, technology experts, retired Judges of this Court or the High Courts, academicians, representatives of industry associations and investor associations. During the consultative process, SEBI also in-

vites and duly considers comments from the public on their proposed regulations. SEBI follows similar consultative processes while reviewing and amending its regulations.
(Extracted, with edits and revision, from the judgement in Vishal Tiwari v. Union Of India, [2024] 1 S.C.R. 171)

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31. What is meant by SCRA in the above passage.

(A) Securities Contracts (Regulation) Act
(B) Securities and Corporate (Registration) Act
(C) Securities Compliance (Regulation) Act
(D) SEBI and Companies (Regulation) Act

Correct Answer: (A) Securities Contracts (Regulation) Act

Solution:
Step 1: Understanding the Question
The question asks for the full form of the acronym SCRA as mentioned in the provided passage about SEBI.

Step 2: Detailed Explanation
The passage states that "SEBI is empowered to regulate the securities market in India by the SEBI Act 1992, the SCRA and the Depositories Act 1996." This indicates that SCRA is a key piece of legislation governing the Indian securities market, alongside the SEBI Act. The acronym SCRA stands for the Securities Contracts (Regulation) Act, 1956. This act was enacted to prevent undesirable transactions in securities and to regulate the business of dealing in them.

Step 3: Final Answer
Based on the explanation, the correct full form of SCRA is the Securities Contracts (Regulation) Act. Therefore, option (A) is the correct answer.

Quick Tip

When encountering acronyms in legal or financial passages, it's helpful to remember the full names of key legislations. The SCRA, SEBI Act, and Depositories Act are foundational laws for India's capital markets.

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32. Which of the following is not a committee setup by SEBI?

(A) Technical Advisory Committee
(B) Competition Advisory committee
(C) Intermediary Advisory Committee

(D) Market Data Advisory Committee

Correct Answer: (B) Competition Advisory committee

Solution:
Step 1: Understanding the Question
The question asks to identify which of the given committees is not established by the Securities and Exchange Board of India (SEBI).

Step 2: Detailed Explanation
The passage mentions that SEBI consults with its advisory committees. To answer this question, one needs to know about the committees constituted by SEBI. SEBI has several advisory committees to assist it in its functions. These include:
- The Technical Advisory Committee.
- The Intermediary Advisory Committee.
- The Market Data Advisory Committee (MDAC).
The Competition Advisory Committee, however, is typically associated with the Competition Commission of India (CCI), which is the principal body for enforcing competition law in the country, not SEBI. SEBI's mandate is to regulate the securities market.

Step 3: Final Answer
Since the Technical, Intermediary, and Market Data Advisory Committees are all set up by SEBI, the Competition Advisory committee is the one that is not. Thus, option (B) is the correct answer.

Quick Tip

Associate regulatory bodies with their specific functions and committees. SEBI deals with securities markets, while the CCI deals with competition and anti-trust issues. This distinction can help eliminate incorrect options.

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33. Which among the following is not a function of SEBI?

(A) regulating substantial acquisition of shares and take over of companies
(B) prohibiting and regulating self-regulatory organisations
(C) prohibiting insider trading in securities
(D) promoting investors' education and training of intermediaries of securities markets.

Correct Answer: (B) prohibiting and regulating self-regulatory organisations

Solution:
Step 1: Understanding the Question

The question asks to identify which of the listed activities is not a function of SEBI.

Step 2: Detailed Explanation
Let's analyze the functions of SEBI based on the SEBI Act, 1992 and the provided passage. The primary functions of SEBI are to protect investors' interests and to promote and regulate the securities market.
- (A) Regulating substantial acquisition of shares and takeovers is a key function of SEBI, governed by the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations.
- (C) Prohibiting insider trading is a critical protective function of SEBI to ensure a fair market.
- (D) Promoting investors' education and training of intermediaries is a developmental function of SEBI.
- (B) The function related to self-regulatory organisations (SROs) is to **promote** and regulate them, not to prohibit them. The aim is to encourage self-regulation within the industry under SEBI's oversight. Prohibiting SROs would be counterproductive to this goal.

Step 3: Final Answer
The statement "prohibiting and regulating self-regulatory organisations" is incorrect because SEBI's role is to promote and regulate them. Therefore, this is not a function of SEBI. Option (B) is the correct answer.

Quick Tip

Pay close attention to verbs like "prohibiting" versus "promoting". Regulatory bodies often aim to regulate and foster industry practices (like self-regulation) rather than outright prohibiting them.

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34. The process by which an organisation thinks about and evolves its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies is called?

(A) Annual general meeting
(B) Corporate social responsibility
(C) Issuing Shelf prospectus
(D) Incorporation of a company

Correct Answer: (B) Corporate social responsibility

Solution:
Step 1: Understanding the Question
The question provides a definition and asks for the corresponding business concept. The definition describes a process where a company considers its impact on stakeholders and the common good and integrates this into its strategies.

Step 2: Detailed Explanation
Let's evaluate the options:
- (A) An Annual General Meeting (AGM) is a formal meeting of shareholders of a company. It is a specific event, not the overall process described.
- (B) Corporate Social Responsibility (CSR) is a business model where companies make a concerted effort to operate in ways that enhance society and the environment. This aligns perfectly with the definition of evolving relationships with stakeholders for the common good.
- (C) Issuing a Shelf Prospectus is a legal process for a company to make multiple public offerings of securities under a single registration statement. It is a financing activity.
- (D) Incorporation of a company is the legal process of forming a corporate entity. It is the beginning of a company's life, not the ongoing process described.

Step 3: Final Answer
The definition given in the question is the standard definition of Corporate Social Responsibility (CSR). Therefore, option (B) is the correct answer.

Quick Tip

Memorize the definitions of key business and corporate governance terms. CSR is a broad concept about a company's commitment to ethical practices and social welfare, which is distinct from specific legal or financial procedures.

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35. In which of the following cases did the court struck down the attempt of the government to nationalise banks and pay minimal compensation to the shareholders?

(A) Shri Sunil Siddharthbhai Etc v. Union of India
(B) R.C. Cooper v. Union of India
(C) United Bank Of India v. SatyawatiTondon & Ors
(D) Punjab National Bank v. Union of India

Correct Answer: (B) R.C. Cooper v. Union of India

Solution:
Step 1: Understanding the Question
The question asks to identify the landmark Supreme Court case that invalidated the government's nationalization of banks on the grounds of inadequate compensation.

Step 2: Detailed Explanation
The case in question is the famous **Rustom Cavasjee Cooper v. Union of India** (1970), also known as the Bank Nationalisation Case. In this case, the Supreme Court of India struck down the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1969. The court ruled that the Act violated the constitutional guarantee of compensation under Article 31(2) because the compensation provided was not just or fair. The petitioner, R.C. Cooper, was a

shareholder in one of the nationalized banks and successfully challenged the legislation. This judgment was a significant moment in Indian constitutional law regarding the right to property and the scope of the government's power of acquisition.

Step 3: Final Answer
The correct case is R.C. Cooper v. Union of India. Therefore, option (B) is the correct answer.

Quick Tip

The R.C. Cooper case, or the Bank Nationalisation Case, is a cornerstone of Indian constitutional law, particularly concerning the right to property and compensation. Remembering the popular name of landmark cases can be very helpful in exams.

Passage VIII
During Bentham's lifetime, revolutions occurred in the American colonies and in France, producing the Bill of Rights and the Déclaration des Droits de l'Homme (Declaration of the Rights of Man), both of which were based on liberty, equality, and self-determination. Karl Marx and Friedrich Engels published The Communist Manifesto in 1848. Revolutionary movements broke out that year in France, Italy, Austria, Poland, and elsewhere. In addition, the Industrial Revolution transformed Great Britain and eventually the rest of Europe from an agrarian (farm-based) society into an industrial one, in which steam and coal increased manufacturing production dramatically, changing the nature of work, property ownership, and family. This period also included advances in chemistry, astronomy, navigation, human anatomy, and immunology, among other sciences.
Given this historical context, it is understandable that Bentham used reason and science to explain human behaviour. His ethical system was an attempt to quantify happiness and the good so they would meet the conditions of the scientific method. Ethics had to be empirical, quantifiable, verifiable, and reproducible across time and space. Just as science was beginning to understand the workings of cause and effect in the body, so ethics would explain the causal relationships of the mind. Bentham rejected religious authority and wrote a rebuttal to the Declaration of Independence in which he railed against natural rights as "rhetorical nonsense, nonsense upon stilts." Instead, the fundamental unit of human action for him was utility—solid, certain, and factual.
What is utility? Bentham's fundamental axiom, which underlies utilitarianism, was that all social morals and government legislation should aim for producing the greatest happiness for the greatest number of people. Utilitarianism, therefore, emphasizes the consequences or ultimate purpose of an act rather than the character of the actor, the actor's motivation, or the particular circumstances surrounding the act. It has these characteristics: (1) universality, because it applies to all acts of human behaviour, even those that appear to be done from altruistic motives; (2) objectivity, meaning it operates beyond individual thought, desire, and perspective; (3) rationality, because it is not based in metaphysics or theology; and (4) quantifiability in its reliance on utility.

36. According to the text, what did Bentham consider the fundamental unit of

human action, replacing concepts like natural rights?

(A) Liberty
(B) Self-determination
(C) Utility
(D) Happiness for the greatest number

Correct Answer: (C) Utility

Solution:

Step 1: Understanding the Question:
The question asks to identify what Jeremy Bentham proposed as the basic element of human action, specifically as a replacement for the idea of "natural rights."

Step 2: Detailed Explanation:
To answer this, we need to find the part of the passage where Bentham's view on "natural rights" is discussed.
The second paragraph states: "Bentham rejected religious authority and wrote a rebuttal to the Declaration of Independence in which he railed against natural rights as 'rhetorical nonsense, nonsense upon stilts.' Instead, the fundamental unit of human action for him was utility—solid, certain, and factual."
This sentence explicitly states that Bentham rejected natural rights and, in their place ("Instead"), considered "utility" to be the fundamental unit of human action.

Step 3: Final Answer:
Based on the text, the correct answer is Utility. Therefore, option (C) is the correct choice.

Quick Tip

In reading comprehension, look for keywords from the question in the passage. Here, searching for "natural rights" and "fundamental unit" leads you directly to the answer.

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37. Which of the following is identified as Bentham's fundamental axiom underlying utilitarianism?

(A) Ethics must be empirical, quantifiable, and reproducible.
(B) Utility must be used to reject religious authority.
(C) All social morals and government legislation should aim for producing the greatest happiness for the greatest number of people.
(D) The character of the actor is the most important aspect of an ethical act.

Correct Answer: (C) All social morals and government legislation should aim for producing the greatest happiness for the greatest number of people.

Solution:

Step 1: Understanding the Question:
The question asks to identify Bentham's "fundamental axiom" that forms the basis of utilitarianism, according to the provided text.

Step 2: Detailed Explanation:
The passage explicitly defines this axiom. In the third paragraph, the text says: "Bentham's fundamental axiom, which underlies utilitarianism, was that all social morals and government legislation should aim for producing the greatest happiness for the greatest number of people." This sentence directly matches the statement in option (C).
Option (A) describes the conditions Bentham believed ethics should meet, but it is not the fundamental axiom itself.
Option (B) mentions something Bentham did, but it's not his core axiom.
Option (D) is contrary to what the passage says utilitarianism emphasizes (it focuses on consequences, not the actor's character).

Step 3: Final Answer:
The passage explicitly identifies the statement in option (C) as Bentham's fundamental axiom.

Quick Tip

Pay close attention to specific defining phrases like "fundamental axiom," "the principle is," or "is defined as," as they often introduce the core concept being tested.

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38. Utilitarianism, as described in the text, emphasizes which aspect of an act over the others listed?

(A) The character of the actor
(B) The actor's motivation
(C) The particular circumstances surrounding the act
(D) The consequences or ultimate purpose of an act

Correct Answer: (D) The consequences or ultimate purpose of an act

Solution:

Step 1: Understanding the Question:
The question asks what aspect of an action is the main focus of utilitarianism, according to the passage.

Step 2: Detailed Explanation:
The third paragraph describes the focus of utilitarianism. It states: "Utilitarianism, therefore, emphasizes the consequences or ultimate purpose of an act rather than the character of the

actor, the actor's motivation, or the particular circumstances surrounding the act."
This sentence clearly indicates that the primary emphasis is on the "consequences or ultimate purpose." Options (A), (B), and (C) are explicitly mentioned as aspects that are not the focus.

Step 3: Final Answer:
The text directly states that utilitarianism emphasizes the consequences or ultimate purpose of an act. Thus, option (D) is correct.

Quick Tip

Look for contrast words like "rather than," "instead of," or "not" to identify what a concept emphasizes versus what it rejects.

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39. The characteristic of utilitarianism that operates beyond individual thought, desire, and perspective is called:

(A) Universality
(B) Quantifiability
(C) Rationality
(D) Objectivity

Correct Answer: (D) Objectivity

Solution:

Step 1: Understanding the Question:
The question asks for the name of the characteristic of utilitarianism that is described as operating "beyond individual thought, desire, and perspective."

Step 2: Detailed Explanation:
The end of the third paragraph lists four characteristics of utilitarianism. We need to find the one that matches the given description.
The text lists them as:
(1) universality...
(2) objectivity, meaning it operates beyond individual thought, desire, and perspective;
(3) rationality...
(4) quantifiability...
The description in the question directly corresponds to the definition provided for "objectivity."

Step 3: Final Answer:
The passage defines objectivity as the characteristic that operates beyond individual thought, desire, and perspective. Therefore, option (D) is the correct answer.

Quick Tip

When a passage provides a numbered or itemized list, it's often a source for questions. Pay attention to each item and its specific definition.

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40. Bentham's ethical system attempted to quantify happiness and the good to meet the conditions of the scientific method, which required ethics to be all of the following except:

(A) Empirical
(B) Verifiable
(C) Theological
(D) Quantifiable

Correct Answer: (C) Theological

Solution:

Step 1: Understanding the Question:
The question asks which characteristic is not a requirement of Bentham's scientific ethical system as described in the text. This is an "except" question, so we need to find the option that doesn't fit with the description in the passage.

Step 2: Detailed Explanation:
The second paragraph describes the conditions Bentham's ethical system had to meet. It says: "Ethics had to be empirical, quantifiable, verifiable, and reproducible across time and space." This confirms that (A), (B), and (D) are required characteristics.
Later, in the third paragraph, the text describes rationality as a characteristic of utilitarianism "because it is not based in metaphysics or theology." This shows that Bentham's system actively rejected a theological basis.

Step 3: Final Answer:
The passage lists empirical, verifiable, and quantifiable as requirements for Bentham's system, while stating it is specifically not based on theology. Therefore, "Theological" is the correct exception.

Quick Tip

For "EXCEPT" questions, carefully check each option against the passage. Three options will be supported by the text, and the one that is either contradicted or not mentioned is the correct answer.

Passage IX

"We hold these truths to be self-evident: that all men are created equal and are endowed by their Creator with certain inalienable rights".

This statement, in spite of literal inaccuracy in its every phrase, served the purpose for which it was written. It expressed an aspiration, and it was a fighting slogan. In order that slogans may serve their purpose, it is necessary that they shall arouse strong, emotional belief, but it is not at all necessary that they shall be literally accurate. A large part of each human being's time on earth is spent in declaiming about his "rights," asserting their existence, complaining of their violation, describing them as present or future, vested or contingent, absolute or conditional, perfect or inchoate, alienable or inalienable, legal or equitable, in rem or in personam, primary or secondary, moral or jural (legal), inherent or acquired, natural or artificial, human or divine. No doubt still other adjectives are available. Each one expresses some idea, but not always the same idea even when used twice by one and the same person.

They all need definition in the interest of understanding and peace. In his table of correlatives, Hohfeld set "right" over against "duty" as its necessary correlative. This had been done numberless times by other men. He also carefully distinguished it from the concepts expressed in his table by the terms "privilege," "power," and "immunity." To the present writer, the value of his work seems beyond question and the practical convenience of his classification is convincing. However, the adoption of Hohfeld's classification and the correlating of the terms "right" and "duty" do not complete the work of classification and definition.

41. The author suggests that the statement "all men are created equal and are endowed by their Creator with certain inalienable rights" was effective primarily because:

(A) It accurately reflects the literal truth of human existence and legal principles.
(B) It provided a comprehensive legal definition of natural rights.
(C) Its emotional and aspirational content made it a successful "fighting slogan."
(D) It meticulously categorized rights using precise jural (legal) terminology.

Correct Answer: (C) Its emotional and aspirational content made it a successful "fighting slogan."

Solution:

Step 1: Understanding the Question:

The question asks for the primary reason the famous statement from the Declaration of Independence was effective, according to the author of the passage.

Step 2: Detailed Explanation:

The author explicitly addresses this in the first paragraph. The passage begins by calling the statement literally inaccurate, immediately dismissing option (A). It then states: "It expressed an aspiration, and it was a fighting slogan. In order that slogans may serve their purpose, it is necessary that they shall arouse strong, emotional belief, but it is not at all necessary that they shall be literally accurate."

This shows the effectiveness came from its emotional and aspirational power as a "fighting slogan," which directly supports option (C). Options (B) and (D) are incorrect because the

rest of the passage argues that terms like "rights" are poorly defined, not comprehensively or meticulously categorized.

Step 3: Final Answer:
The author's explanation points directly to the statement's role as an emotional and aspirational "fighting slogan" as the source of its effectiveness. Option (C) is the correct choice.

Quick Tip

Identify the author's main argument or tone. Here, the author is critical of the statement's literal accuracy but acknowledges its rhetorical power. This contrast is key to finding the answer.

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42. Based on the passage, the primary problem the author identifies with the current discourse surrounding "rights" is the:

(A) Lack of a comprehensive list of all possible rights.
(B) Failure of historical documents to be literally accurate.
(C) Proliferation of undefined and inconsistently used qualifying adjectives.
(D) Over reliance on Hohfeld's narrow and incomplete classification system.

Correct Answer: (C) Proliferation of undefined and inconsistently used qualifying adjectives.

Solution:

Step 1: Understanding the Question:
The question asks what the author sees as the main issue with how people talk about "rights."

Step 2: Detailed Explanation:
The first paragraph, after the quote, delves into this problem. The author provides a long list of adjectives used to describe rights (e.g., "vested or contingent, absolute or conditional, perfect or inchoate"). The author then concludes: "Each one expresses some idea, but not always the same idea even when used twice by one and the same person. They all need definition..."
This highlights the problem as a "proliferation of undefined and inconsistently used qualifying adjectives," which matches option (C).
Option (A) is related but the core issue isn't just the lack of a list, but the inconsistent meaning of the terms used. Option (B) is a point made about the Declaration, but not the primary problem with the general discourse on rights. Option (D) is incorrect because the author actually praises Hohfeld's system as valuable, even if incomplete, rather than citing over-reliance on it as a problem.

Step 3: Final Answer:
The author's main critique of the discourse on "rights" is the inconsistent and undefined use

of many descriptive terms. Therefore, option (C) is the correct answer.

Quick Tip

When an author provides a long list of examples, consider the overall point that the list is trying to illustrate. Here, the list of adjectives illustrates confusion and lack of precision.

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43. The author's view of Hohfeld's contribution to legal scholarship can best be described as:

(A) Essential but ultimately incomplete in fully defining and classifying "rights."
(B) Flawed because it failed to distinguish "right" from "duty" effectively.
(C) Irrelevant, as his classification uses confusing and difficult jargon.
(D) Sufficiently exhaustive to complete the work of definition and classification.

Correct Answer: (A) Essential but ultimately incomplete in fully defining and classifying "rights."

Solution:

Step 1: Understanding the Question:
The question asks for the author's opinion on the work of Hohfeld.

Step 2: Detailed Explanation:
The second paragraph presents the author's assessment of Hohfeld. The author states: "To the present writer, the value of his work seems beyond question and the practical convenience of his classification is convincing." This shows the author sees the work as valuable or essential.
However, the paragraph ends with: "However, the adoption of Hohfeld's classification... do not complete the work of classification and definition." This indicates the author believes the work is incomplete.
Combining these two points leads directly to the description in option (A): essential but incomplete.
Option (B) is incorrect; the passage states Hohfeld set "right" over against "duty." Option (C) is incorrect because the author finds the classification convenient, not irrelevant. Option (D) is directly contradicted by the final sentence of the passage.

Step 3: Final Answer:
The author considers Hohfeld's work valuable but not final. This view is best captured by option (A).

Quick Tip

Look for words that signal the author's opinion, such as "valuable," "convincing," "however," or "incomplete." A balanced view often includes both praise and criticism.

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44. The phrase "literal inaccuracy in its every phrase" is used by the author to critique the Declaration's statement, suggesting a conflict between its rhetorical power and its:

(A) Emotional resonance for revolutionaries.
(B) Utility as a means for legislative action.
(C) Precision as a statement of verifiable facts or legal principles.
(D) Acceptance by religious authority and the Creator.

Correct Answer: (C) Precision as a statement of verifiable facts or legal principles.

Solution:

Step 1: Understanding the Question:
The question asks what the "literal inaccuracy" of the Declaration's statement is contrasted with. The question itself suggests the contrast is with its "rhetorical power." We need to identify what "literal inaccuracy" refers to.

Step 2: Detailed Explanation:
The author states the phrase has "literal inaccuracy" but was effective as a "fighting slogan" that arouses "strong, emotional belief." The power of the slogan lies in its emotional resonance (its rhetorical power). The "inaccuracy" lies in its failure to be a statement of fact. For a statement to be "literally accurate," it must have precision and be verifiable.
Therefore, the conflict is between its emotional effectiveness (rhetorical power) and its lack of precision as a factual or legal statement. Option (C) best describes this lack of precision.
Option (A) is another way of describing its rhetorical power, not what it conflicts with. Options (B) and (D) are not the central conflict highlighted by the author's critique.

Step 3: Final Answer:
The phrase "literal inaccuracy" points to a lack of factual or legal precision, which is contrasted with the statement's effectiveness as a rhetorical tool. Option (C) correctly identifies this point of conflict.

Quick Tip

Analyze key phrases. "Literal inaccuracy" means not factually true. The passage then explains why it was useful despite this, highlighting its emotional and rhetorical value. The conflict is between fact and feeling.

45. Which concept from Hohfeld's table of correlatives is not explicitly mentioned in the passage as a concept "right" was distinguished from?

(A) Duty
(B) Privilege
(C) Immunity
(D) Disability

Correct Answer: (D) Disability

Solution:

Step 1: Understanding the Question:
This is a detail-oriented question. It asks which of the four listed legal concepts is not mentioned in the passage in the context of Hohfeld's analysis of the term "right."

Step 2: Detailed Explanation:
We must carefully read the second paragraph where Hohfeld is discussed. The text mentions the following concepts:
1. It says Hohfeld set "'right' over against 'duty' as its necessary correlative." So, (A) Duty is mentioned.
2. It continues, "He also carefully distinguished it [right] from the concepts expressed in his table by the terms 'privilege,' 'power,' and 'immunity.'" So, (B) Privilege and (C) Immunity are mentioned. (The word 'power' is also mentioned, though not an option).
The text mentions "duty," "privilege," "power," and "immunity." It does not mention "Disability."

Step 3: Final Answer:
By checking the options against the explicit text of the passage, we can see that "Disability" is the only concept not mentioned. Therefore, option (D) is the correct answer.

Quick Tip

For questions asking what is "not mentioned," the best strategy is process of elimination. Go through each option and scan the relevant part of the text to see if you can find it. The one you can't find is the answer.

Passage X
The International Law Commission (ILC), in compliance with General Assembly resolution 177 (II), was directed to "formulate the principles of international law recognized in the Charter of the Nuremberg Tribunal and in the judgment of the Tribunal". The ILC's task was to merely

formulate the principles not to express an appreciation of them as principles of International law since they had already been affirmed by the General Assembly.
At its second session in 1950, the ILC adopted a formulation of seven Principles of International Law recognized in the Charter and Judgment of the Nuremberg Tribunal.

- **Principle I**: Any person who commits an act which constitutes a crime under international law is responsible therefor and liable to punishment. This is based on the general rule that international law may impose duties directly on individuals.
- **Principle II**: The fact that internal law does not impose a penalty for an international crime does not relieve the person who committed the act from international responsibility. This implies the "supremacy" of international law over national law.
- **Principle III**: The fact that a person acted as Head of State or responsible Government official does not relieve him from responsibility under international law.
- **Principle IV**: Acting pursuant to an order of his Government or of a superior does not relieve him from responsibility, provided a moral choice was in fact possible to him.
- **Principle V**: Any person charged with a crime under international law has the right to a fair trial on the facts and law.
- **Principle VI**: sets out the crimes punishable under international law:
  - **Crimes against peace**: Includes planning, preparation, initiation, or waging of a war of aggression or a war in violation of international treaties, as well as participation in a conspiracy for these acts. The ILC understands the term "waging of a war of aggression" to refer only to high-ranking military personnel and high State officials. The Tribunal affirmed the illegality of aggressive war based on the Kellogg-Briand Pact.
  - **War crimes**: Violations of the laws or customs of war, such as murder, ill-treatment, deportation, killing of hostages, and plunder.
  - **Crimes against humanity**: Murder, extermination, enslavement, deportation, and other inhuman acts or persecutions on political, racial, or religious grounds, when done in execution of or in connection with a crime against peace or a war crime. These acts may constitute crimes against humanity even if committed by the perpetrator against their own population.
- **Principle VII**: Complicity in the commission of any of the crimes listed in Principle VI is a crime under international law.

The ILC also considered the General Assembly's invitation to study the desirability and possibility of establishing an international judicial organ for the trial of persons charged with genocide or other crimes. While some members questioned its effectiveness, particularly for grave international crimes, others argued that the creation of such a jurisdiction was desirable as an effective contribution to world peace and security, serving as a deterrent against aggressors.

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46. The International Law Commission (ILC) concluded that its task, as directed by General Assembly resolution 177 (II), was primarily:

(A) To determine the extent to which the Nuremberg principles constituted principles of international law.
(B) To formulate the Nuremberg principles, without expressing an appreciation of their status as principles of international law.
(C) To assess whether the Charter and judgment were already an expression of positive international law at the time of the Tribunal's establishment.
(D) To formulate the general principles of law on which the provisions of the Charter and the Tribunal's decisions were based.

Correct Answer: (B) To formulate the Nuremberg principles, without expressing an appreciation of their status as principles of international law.

Solution:

Step 1: Understanding the Question:
The question asks to identify the primary task of the International Law Commission (ILC) as described in the provided text.

Step 2: Detailed Explanation:
The first paragraph of the passage explicitly defines the ILC's role. It states, "The ILC's task was to merely formulate the principles not to express an appreciation of them as principles of International law since they had already been affirmed by the General Assembly." This sentence directly corresponds to option (B). The other options propose different tasks, such as determining the extent of the principles (A), assessing the existing law (C), or formulating general principles (D), which are not what the text describes as the ILC's primary mandate.

Step 3: Final Answer:
Based on the direct statement in the text, the ILC's task was to formulate the principles without appraising them. Therefore, option (B) is the correct answer.

Quick Tip

For reading comprehension questions, locate keywords from the question in the passage. The answer is often stated directly in the text surrounding those keywords.

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47. Principle IV of the Nuremberg Principles concerning superior orders, differs from Article 8 of the Charter of the Nuremberg Tribunal by:

(A) Narrowing the application of the principle to exclude high State officials.
(B) Adding the condition that "a moral choice was in fact possible" to the accused.
(C) Eliminating the reference to the order being considered in mitigation of punishment.
(D) Formulating the principle in general terms, unlike the Charter's specific context.

Correct Answer: (B) Adding the condition that "a moral choice was in fact possible" to the accused.

Solution:

Step 1: Understanding the Question:
The question asks how Principle IV of the Nuremberg Principles, as described in the text, differs from the concept of superior orders in Article 8 of the Nuremberg Tribunal's Charter (which is implied to be the baseline).

Step 2: Detailed Explanation:
The text defines Principle IV as: "Acting pursuant to an order of his Government or of a superior does not relieve him from responsibility, provided a moral choice was in fact possible to him." The crucial part of this formulation is the final clause: "provided a moral choice was in fact possible to him." This introduces a specific condition or qualification to the rule on superior orders. This condition is the key innovation or clarification presented in Principle IV. Option (B) directly captures this addition. The other options are not supported by the text's description of Principle IV.

Step 3: Final Answer:
The distinguishing feature of Principle IV mentioned in the passage is the addition of the "moral choice" condition. Thus, option (B) is the correct answer.

Quick Tip

Pay close attention to qualifying phrases, conditions, or exceptions mentioned in legal principles described in a text. They are often the basis for comparison questions.

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48. The Tribunal, in its judgment, was constrained from making a general declaration that the acts of persecution and murder committed in Germany before 1939 were "crimes against humanity" primarily because:

(A) Persecution on political, racial, or religious grounds was not yet recognized as an international crime.
(B) It could not be satisfactorily proved that these acts were committed in execution of, or in connection with, a crime within the Tribunal's jurisdiction.
(C) The definition of crimes against humanity in the Charter explicitly excluded acts committed before the outbreak of the war.
(D) International law at the time imposed duties only on States, not on individuals, for these types of crimes.

Correct Answer: (C) The definition of crimes against humanity in the Charter explicitly excluded acts committed before the outbreak of the war.

Solution:

Step 1: Understanding the Question:
The question asks for the primary reason why the Nuremberg Tribunal could not prosecute acts committed in Germany before 1939 as "crimes against humanity."

Step 2: Detailed Explanation:
The passage defines "Crimes against humanity" under Principle VI. The definition includes a critical condition: these acts are crimes "...when done in execution of or in connection with a crime against peace or a war crime." Since the war (a prerequisite "war crime" or "crime against peace") began in 1939, any acts committed before that date could not be linked to it. Therefore, the very definition provided in the Charter of the Tribunal created a temporal limitation, effectively excluding pre-war acts. Option (C) accurately reflects this. While option (B) is related, option (C) is more precise as it points to the definitional constraint in the Charter itself as the root cause.

Step 3: Final Answer:
The definitional requirement of a connection to a war crime or crime against peace meant that acts before the war's outbreak in 1939 were outside the Tribunal's jurisdiction for crimes against humanity. Therefore, option (C) is the correct answer.

Quick Tip

In legal comprehension, the specific wording of definitions is crucial. Look for conditions, limitations, or required links (nexus) within definitions to understand the scope of a law or crime.

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49. In formulating Principle VI (a), the ILC clarified the term "waging of a war of aggression" because:

(A) The Charter of the Tribunal had no definition of "war of aggression".
(B) Members feared that every combatant in uniform might be charged with the crime.
(C) The Tribunal had not made a clear distinction between "planning" and "preparation".
(D) The General Assembly had requested a more precise definition for use in future conventions.

Correct Answer: (B) Members feared that every combatant in uniform might be charged with the crime.

Solution:

Step 1: Understanding the Question:
The question asks for the reason behind the ILC's specific clarification of the phrase "waging of a war of aggression."

Step 2: Detailed Explanation:
Under the section for "Crimes against peace," the passage states: "The ILC understands the term 'waging of a war of aggression' to refer only to high-ranking military personnel and high State officials." This clarification limits the application of the crime to leadership figures. The logical reason for such a limitation is to avoid charging every single soldier or low-level combatant who participates in a war. This directly addresses the concern that an undefined term could lead to mass prosecutions of all combatants. Option (B) encapsulates this fear.

Step 3: Final Answer:
The ILC's clarification was to restrict responsibility to high-level officials, thus preventing the charge from being applied to every ordinary soldier. This indicates the underlying reason was the fear expressed in option (B).

Quick Tip

When a legal text limits the scope of a crime to "high-ranking" individuals, it is usually to differentiate between policymakers and those who are merely following orders, avoiding the prosecution of every participant.

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50. The debate within the International Law Commission regarding the creation of an international judicial organ (Part IV) centered on the following contrasting positions:

(A) Whether the judicial organ should be created only for the trial of persons charged with genocide versus all international crimes.
(B) Whether the creation of the organ required an amendment to the Charter of the United Nations versus being possible through a convention open to all States.
(C) Whether the establishment of the organ was desirable and possible versus being undesirable due to its likely ineffectiveness against grave international crimes.
(D) Whether an international criminal court should have a deterrent effect versus serving only to ensure the rule of law in the community of States.

Correct Answer: (C) Whether the establishment of the organ was desirable and possible versus being undesirable due to its likely ineffectiveness against grave international crimes.

Solution:

Step 1: Understanding the Question:
This question asks to identify the core of the debate within the ILC about establishing an international court.

Step 2: Detailed Explanation:
The final paragraph of the passage describes this debate. It says the ILC considered the "desirability and possibility" of such an organ. It then presents the two opposing views: "While some

members questioned its effectiveness, particularly for grave international crimes, others argued that the creation of such a jurisdiction was desirable as an effective contribution to world peace and security..." This directly outlines a debate between those who found it desirable and those who doubted its effectiveness. Option (C) perfectly summarizes this contrast.

Step 3: Final Answer:
The text explicitly frames the debate around the desirability and potential effectiveness of an international judicial organ. Therefore, option (C) is the correct answer.

Quick Tip

Look for words indicating contrast or debate, such as "while," "however," "others argued," or "on the one hand," to quickly identify the core arguments in a discussion.

Passage XI
The document presents a critique of the United Nations (UN) organization, arguing that it has failed to carry out its charter-mandated tasks, specifically to "maintain international peace and security" and "to achieve international cooperation" in solving global problems. The author notes growing public frustration with catastrophic humanitarian situations and the failure of peace-keeping operations, leading to widespread scepticism about the possibility of "revitalization". UN Reform Approaches Discussions on UN reform are divided into two main categories: the conservative approach and the radical approach.

1. **Conservative Approach**: The conservative view considers the existing Charter "practically untouchable" and believes in improving "collective security" as defined in Chapter VII. Key positions include:
    - **US Position**: Prioritizes its own interests, supports better management and the creation of an Inspector General, favours enlarging the Security Council (to include Germany and Japan, mainly for financing peace-keeping), and associates the UN with regional organizations like NATO for peace enforcement. The US remains reluctant to allow full application of Chapter VII and views collective security restrictively.
    - **Secretary-General's Position (Boutros Ghali)**: Advocated for the full implementation of 'collective security' as envisaged in 1945, including the use of the Military Staff Committee (Article 47) and the conclusion of special agreements (Article 43) for providing armed forces. He also proposed 'peace enforcement units' under the command of the Secretary-General and wider use of 'preventive diplomacy'. The report candidly recognized the Security Council's incapacity to deal with threats from a major power.
2. **Radical Approach**: The radical approach criticizes the principles of the present system and proposes an overhaul. It reflects increasing doubts about the value of the Charter's collective security system, especially in intra-State conflicts. Radical proposals include:
    - Establishing an Economic Security Council.
    - Modifying the Charter with less reluctance.

- Reforming the IMF and World Bank.
- Developing a new global security system (e.g., regional models like CSCE/CSCM).
- The creation of a consultative parliamentary assembly at the world level.

Future Outlook: The author asserts that no major or minor reform has any chance of being implemented now, primarily because the Charter's amendment procedures (requiring a two-thirds majority including all five permanent Security Council members) preclude agreement. However, he concludes that the continuing deterioration of the global situation, driven by economic integration, rising inequality, and intra-State conflicts, will inevitably lead the political establishment to define a new global institutional structure. This future debate will become highly political.

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51. The author attributes the growing public frustration with the UN primarily to which pair of continuous failures?

(A) The inability to define a new institutional structure and the spread of poverty.
(B) The persistent reliance on Chapter VII enforcement and the lack of a Central World Bank.
(C) The failure of peace-keeping operations and the spread of unemployment at a world level.
(D) The supremacy of the US position and the rejection of the Economic Security Council.

Correct Answer: (C) The failure of peace-keeping operations and the spread of unemployment at a world level.

Solution:

Step 1: Understanding the Question:
The question asks to identify the two main failures of the UN that, according to the author, have led to public frustration.

Step 2: Detailed Explanation:
The first paragraph of Passage 2 states: "The author notes growing public frustration with catastrophic humanitarian situations and the failure of peace-keeping operations..." This sentence directly gives two reasons. "Failure of peace-keeping operations" is one of them. The other is "catastrophic humanitarian situations," which are often linked to economic problems like unemployment and inequality (mentioned later in the text as a driver of global deterioration). Among the given options, option (C) lists "the failure of peace-keeping operations" and "the spread of unemployment at a world level." The latter can be reasonably inferred as a component of the "catastrophic humanitarian situations" and the failure to solve "global problems." No other option aligns as closely with the text.

Step 3: Final Answer:
Based on the direct statements and logical inferences from the text, the pair of failures best represented in the options is the failure of peace-keeping and widespread economic distress like unemployment. Thus, option (C) is the most appropriate answer.

Quick Tip

When a question asks for a "pair" of reasons, look for sentences in the text that list two or more connected ideas, often joined by "and".

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52. A primary point of divergence between the US Conservative position and the Secretary-General's Conservative position on security matters, according to the summary is:

(A) The US supports the creation of 'peace enforcement units,' while the Secretary. General is opposed.
(B) The Secretary-General advocates for the full implementation of 'collective security', while the US restricts its participation in peace-keeping.
(C) The US views 'preventive diplomacy' as an illusion, whereas the Secretary-General supports its larger use.
(D) The US opposes the enlargement of the Security Council, while the Secretary. General supports the entrance of Japan and Germany.

Correct Answer: (B) The Secretary-General advocates for the full implementation of 'collective security', while the US restricts its participation in peace-keeping.

Solution:

Step 1: Understanding the Question:
The question asks for the main difference between the security views of the US and the Secretary-General, as described under the "Conservative Approach."

Step 2: Detailed Explanation:
The text outlines the two positions clearly:
- **US Position:** "views collective security restrictively" and is "reluctant to allow full application of Chapter VII."
- **Secretary-General's Position:** "Advocated for the full implementation of 'collective security' as envisaged in 1945."
This shows a direct conflict: one side wants full implementation, while the other wants a restricted version. Option (B) accurately captures this fundamental disagreement. Option (D) is factually incorrect according to the text, which states the US favours enlarging the council.

Step 3: Final Answer:
The core difference lies in the scope of 'collective security'. The Secretary-General supports its full implementation, whereas the US prefers a restricted approach. Option (B) correctly identifies this divergence.

Quick Tip

When comparing two viewpoints presented in a passage, look for contrasting keywords like "full implementation" versus "restrictively" to pinpoint the main disagreement.

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53. According to the critique's conclusion, the immediate, insurmountable barrier preventing the implementation of any reform, major or minor, is:

(A) The widespread public scepticism and the rise of nationalist political parties.
(B) The Secretary-General's reluctance to give up command over new peace enforcement units.
(C) The procedural requirements for amending the Charter, specifically requiring the consensus of all five permanent Security Council members.
(D) The ideological debate on global governance and the lack of a complete theoretical framework for the radical approach.

Correct Answer: (C) The procedural requirements for amending the Charter, specifically requiring the consensus of all five permanent Security Council members.

Solution:

Step 1: Understanding the Question:
The question asks for the main obstacle to UN reform, as stated in the "Future Outlook" section.

Step 2: Detailed Explanation:
The "Future Outlook" section addresses this directly. It states, "The author asserts that no major or minor reform has any chance of being implemented now, primarily because the Charter's amendment procedures (requiring a two-thirds majority including all five permanent Security Council members) preclude agreement." This sentence explicitly identifies the amendment procedure, which gives veto power to the five permanent members, as the key barrier. Option (C) is a precise summary of this statement.

Step 3: Final Answer:
The text clearly states that the Charter's amendment procedure is the primary barrier to reform. Therefore, option (C) is the correct answer.

Quick Tip

Look for causal keywords like "because," "due to," or "the reason is" in concluding paragraphs to find the answer to questions about primary causes or barriers.

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54. The Secretary-General's 'Agenda for Peace' proposed a specific military capability intended to address the gap between traditional peace-keeping and full

military action. This proposed unit was explicitly characterized by the summary as being:

(A) Composed of permanent Member State forces under Article 43 agreements.
(B) Less heavily armed than peace-keeping forces and under the direction of the Military Staff Committee.
(C) More heavily armed than peace-keeping forces and under the command of the Secretary-General.
(D) Primarily associated with NATO under a regional security arrangement.

Correct Answer: (C) More heavily armed than peace-keeping forces and under the command of the Secretary-General.

Solution:

Step 1: Understanding the Question:
The question asks for the characteristics of the military units proposed by the Secretary-General to bridge the gap between peacekeeping and war.

Step 2: Detailed Explanation:
The text, under "Secretary-General's Position," mentions that he "proposed 'peace enforcement units' under the command of the Secretary-General." The term "peace enforcement" implies a more robust, forceful capability than traditional "peace-keeping." To fill the gap between peacekeeping and "full military action," these units would logically need to be more heavily armed than standard peacekeepers. The text also explicitly states they would be "under the command of the Secretary-General." Option (C) combines both of these correct characteristics.

Step 3: Final Answer:
The proposed units are described as 'peace enforcement units' under the Secretary-General's command, which implies they are more heavily armed than traditional peacekeepers. Option (C) is the correct description.

Quick Tip

Understand the distinction between "peace-keeping" (monitoring a truce) and "peace enforcement" (using force to impose peace). This conceptual difference is key to answering this question correctly.

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55. The Radical Approach to reform, as outlined in the summary, calls for an institutional overhaul of global economic governance by suggesting which two specific actions related to the Bretton Woods institutions?

(A) The full use of Article 42 and the reduction of social inequality.
(B) The creation of an Economic Security Council and the replacement of the IMF with a

Central World Bank.
(C) The implementation of international taxation and the institutionalization of G7 summit meetings.
(D) The transfer of significant resources from rich to poor countries and the reform of the World Bank's structure.

Correct Answer: (B) The creation of an Economic Security Council and the replacement of the IMF with a Central World Bank.

Solution:

Step 1: Understanding the Question:
The question asks for two specific proposals from the "Radical Approach" that relate to global economic governance and the Bretton Woods institutions (IMF and World Bank).

Step 2: Detailed Explanation:
The text lists the "Radical proposals." Two of these are: "Establishing an Economic Security Council" and "Reforming the IMF and World Bank." The Radical Approach is described as proposing an "overhaul." Option (B) includes "The creation of an Economic Security Council," which is a direct match. It also suggests "the replacement of the IMF with a Central World Bank." While the text says "Reforming," replacement is the most extreme form of reform and fits well within a "Radical Approach" that proposes a complete "overhaul." None of the other options contain proposals listed directly under the Radical Approach section.

Step 3: Final Answer:
The proposals of creating an Economic Security Council and radically overhauling (replacing) the IMF are consistent with the "Radical Approach" described in the passage. Therefore, option (B) is the best answer.

Quick Tip

When a passage lists proposals using bullet points, carefully check each option against that list. The correct answer will contain items directly from or closely related to the list.

Passage XII.
"The power to pardon is a part of the constitutional scheme, and we have no doubt, in our mind, that it should be so treated also in the Indian Republic. It has been reposed by the people through the Constitution in the Head of the State, and enjoys high status. It is a constitutional responsibility of great significance, to be exercised when occasion arises in accordance with the discretion contemplated by the context. It is not denied, and indeed it has been repeatedly affirmed in the course of argument by learned counsels appearing for the Petitioner that the power to pardon rests on the advice tendered by the Executive to the President, who subject to the provisions of Article 74(1) of the Constitution, must act in accordance with such advice....."

We are of the view that it is open to the President in the exercise of the power vested in him by Article 72 of the Constitution to scrutinise the evidence on the record of the criminal case and come to a different conclusion from that recorded by the court in regard to the guilt of, and sentence imposed on the accused. In doing so, the President does not amend or modify or supersede the judicial record. The judicial record remains intact, and undisturbed. The President acts in a wholly different plane from that in which the Court acted. He acts under a constitutional power, the nature of which is entirely different from the judicial power and cannot be regarded as an extension of it. This is so, notwithstanding that the practical effect of the Presidential act is to remove the stigma of guilt from the accused or to remit the sentence imposed on him.
It is apparent that the power under Article 72 entitles the President to examine the record of evidence of the criminal case and to determine for himself whether the case is one deserving the grant of the relief falling within that power. We are of opinion that the President is entitled to go into the merits of the case notwithstanding that it has been judicially concluded by the consideration given to it by this Court. In Kehar Singh v. Union of India, 1989 SC, this court stated that the same obviously means that the affected party need not be given the reasons. The question whether reasons can or cannot be disclosed to the Court when the same is challenged was not the subject-matter of consideration. In any event, the absence of any obligation to convey the reasons does not mean that there should not be legitimate or relevant reasons for passing the order.
Extract from the judgment of Shatrughan Chauhan v. Union of India 2014 (3) SCC 1

56. Which one of the following statements is correct with respect to the granting of pardon by the President?

(A) The power to grant pardon is a constitutional duty. Hence, judicial review is available, just as any executive action is.
(B) Granting pardon being the privilege of the President, no judicial review is available against the decision of the President in granting or refusing to grant a pardon.
(C) The constitution expressly conferred the power to grant to the President hence, the President is not bound to rely on the aid and advice of the executive.
(D) The President's power to grant pardon can be reviewed on the grounds of non-application of mind.

Correct Answer: (D) The President's power to grant pardon can be reviewed on the grounds of non-application of mind.

Solution:

Step 1: Understanding the Question:
The question asks to identify the correct statement regarding the President's power to grant pardon based on the provided text and established constitutional law.

Step 2: Detailed Explanation:
Let's analyze each option in light of the passage and legal principles:
(A) This option is incorrect. While the power is a "constitutional responsibility," calling it a "duty" can be misleading. More importantly, judicial review is not available "just as any

executive action is"; it is available on very limited grounds. The scope is narrower.
(B) This option is incorrect. The Supreme Court, in cases like **Epuru Sudhakar v. Govt. of A.P.**, has clearly established that the President's decision on a mercy petition is subject to limited judicial review. It is not an absolute privilege beyond scrutiny.
(C) This option is incorrect and directly contradicts the passage. The text explicitly states, "...the power to pardon rests on the advice tendered by the Executive to the President, who subject to the provisions of Article 74(1) of the Constitution, must act in accordance with such advice." The President is bound by the aid and advice of the Council of Ministers.
(D) This option is correct. The passage concludes by saying, "the absence of any obligation to convey the reasons does not mean that there should not be legitimate or relevant reasons for passing the order." This implies that the decision must be based on reason. It is a well-settled principle that the pardoning power under Article 72 is subject to judicial review on grounds such as the order being passed without application of mind, mala fide, based on extraneous considerations, or being arbitrary.

Step 3: Final Answer:
Based on the analysis, the statement that the President's power to grant pardon can be reviewed on the grounds of non-application of mind is correct.

Quick Tip

Remember the key grounds for judicial review of the President's pardoning power: mala fides, arbitrariness, and non-application of mind. The power is not absolute.

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57. In the above case the Supreme Court held that a minimum period of _____ days be stipulated between the receipt of communication of the rejection of the mercy petition and the scheduled date of execution.

(A) 60
(B) 30
(C) 14
(D) No such timeline was fixed

Correct Answer: (C) 14

Solution:

Step 1: Understanding the Question:
The question asks for the specific minimum time period mandated by the Supreme Court in the case of **Shatrughan Chauhan v. Union of India** between the communication of the rejection of a mercy petition and the date of execution.

Step 2: Detailed Explanation:
The judgment in **Shatrughan Chauhan v. Union of India** (2014) laid down several guide-

lines to protect the rights of death row convicts, flowing from Article 21 of the Constitution (Right to Life and Personal Liberty). One of the key procedural safeguards introduced was to ensure that the convict has a reasonable amount of time after the final rejection of his/her mercy petition. This period allows the convict to prepare mentally, settle worldly affairs, and meet with family members one last time. The Supreme Court held that a minimum period of 14 days must elapse between the receipt of the communication of the rejection of the mercy petition and the scheduled date of execution.

Step 3: Final Answer:
Therefore, the Supreme Court stipulated a minimum period of 14 days.

Quick Tip

The **Shatrughan Chauhan** case is a landmark judgment for death penalty jurisprudence in India. Remember its key outcomes: commutation for inordinate delay, insanity, and the 14-day rule.

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58. What is not true about the pardoning power vis a vis Article 21 of Constitution of India?

(A) Insanity is not a relevant supervening factor for commutation of death sentence.
(B) Right to life of a person continues till his last breath and that Court will protect that right even if the noose is being tied on the condemned person's neck.
(C) The anguish of alternating hope and despair, the agony of uncertainty and the consequence of such suffering on the mental, emotional and physical integrity and health violates Art. 21 of the prisoners.
(D) Article 21 is a substantive right and not merely procedural.

Correct Answer: (A) Insanity is not a relevant supervening factor for commutation of death sentence.

Solution:

Step 1: Understanding the Question:
The question asks to identify the incorrect statement regarding the interplay between the pardoning power and Article 21 of the Constitution.

Step 2: Detailed Explanation:
Let's evaluate each statement:
(A) This statement is false. The Supreme Court in **Shatrughan Chauhan v. Union of India** explicitly held that post-conviction insanity or mental illness is a supervening circumstance that renders the execution of a death sentence unconstitutional under Article 21. Therefore, insanity is a very relevant factor for the commutation of a death sentence. Since the statement claims it is "not a relevant factor," it is "not true".

(B) This statement is true. The Supreme Court has repeatedly held that the right to life under Article 21 includes the right to a dignified life until the very end, and this protection does not cease until the person is legally pronounced dead.
(C) This statement is true. This describes the "death row phenomenon." The Supreme Court has held that inordinate and unexplained delay in deciding a mercy petition causes immense mental anguish, which violates the prisoner's right to life under Article 21, and can be a ground for commutation.
(D) This statement is true. Article 21 is the bedrock of fundamental rights, guaranteeing the substantive right to life and personal liberty, not just a set of procedures. The procedures established by law must also be fair, just, and reasonable.

Step 3: Final Answer:
The statement that is not true is (A), as insanity is a crucial supervening factor for the commutation of a death sentence.

Quick Tip

When a question asks "what is not true," carefully evaluate each option against established facts. The incorrect statement is often a direct contradiction of a key legal principle.

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59. In which case, the Supreme Court held that if the crime is brutal and heinous and involves the killing of a large number of innocent people without any reason, delay cannot be the sole factor for the commutation of the death sentence to life imprisonment?

(A) Devender Pal Singh Bhullar v. State (NCT) of Delhi.
(B) V. Sriharan @ Murugan v. Union of India
(C) Yakub Abdul Razak Memon v. State of Maharashtra
(D) Shatrughan Chauhan v. Union of India

Correct Answer: (A) Devender Pal Singh Bhullar v. State (NCT) of Delhi.

Solution:

Step 1: Understanding the Question:
The question asks to identify the specific Supreme Court case that created an exception to the 'delay' rule for commutation of the death penalty, particularly in cases of terrorism or brutal mass killings.

Step 2: Detailed Explanation:
(A) **Devender Pal Singh Bhullar v. State (NCT) of Delhi (2013):** In this case, the Supreme Court held that in cases where the crime is related to terrorism and poses a threat to the sovereignty and integrity of the nation, the ground of inordinate delay in deciding a mercy

petition may not be sufficient for commuting the death sentence. This judgment carved out an exception to the general rule.
(B) **V. Sriharan @ Murugan v. Union of India:** This case primarily dealt with the scope of the power of remission under the CrPC and the primacy of the Union Government's opinion in certain cases, particularly in the context of the Rajiv Gandhi assassination convicts.
(C) **Yakub Abdul Razak Memon v. State of Maharashtra:** While the gravity of the crime (1993 Mumbai blasts) was a central factor in the rejection of his final pleas, the primary legal precedent for the principle in question was set in the Bhullar case.
(D) **Shatrughan Chauhan v. Union of India (2014):** This case did the opposite. A larger bench of the Supreme Court in this case overruled the exception created in the **Devender Pal Singh Bhullar** case. It held that inordinate delay in disposal of mercy petitions is a ground for commutation of the death sentence to life imprisonment, irrespective of the nature of the crime.

Step 3: Final Answer:
The case that held that delay cannot be the sole factor for commutation in heinous crimes like terrorism was **Devender Pal Singh Bhullar v. State (NCT) of Delhi**.

Quick Tip

It's crucial to understand the timeline and evolution of case law. **Bhullar** created an exception for terror cases regarding delay, but **Shatrughan Chauhan** later overruled it, making the 'delay' ground universally applicable.

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60. The President's power to grant a pardon

(A) Can be delegated to the Prime Minister and his Council of Ministers
(B) Cannot be delegated as it is an essential executive function
(C) Cannot be delegated as it is expressly conferred on the President
(D) Can be delegated to the Vice-president.

Correct Answer: (C) Cannot be delegated as it is expressly conferred on the President

Solution:

Step 1: Understanding the Question:
The question asks about the delegability of the President's power to grant pardons under Article 72 of the Constitution.

Step 2: Detailed Explanation:
The principle of **delegatus non potest delegare** (a delegate cannot further delegate) applies to powers conferred by the Constitution on specific authorities. Article 72 of the Constitution of India explicitly vests the power to grant pardons, reprieves, respites, or remissions of punishment in the President.
(A) This is incorrect. While the President acts on the aid and advice of the Council of Ministers,

the power is formally vested in the President and cannot be delegated to the Prime Minister or the Council. They advise, but the constitutional authority to act remains with the President.
(B) This is plausible, but not the most precise reason. While it is an executive function, the primary reason for its non-delegability is its specific constitutional conferment.
(C) This is the most accurate and fundamental reason. The Constitution itself has chosen to confer this high power specifically on the Head of the State, the President. Such an express and specific grant of power to a designated constitutional authority implies that it cannot be delegated to any other person or body unless the Constitution itself allows for it, which it does not.
(D) This is incorrect. There is no constitutional provision that allows the President to delegate this power to the Vice-President.

Step 3: Final Answer:
The President's power to grant a pardon cannot be delegated because it is a power expressly conferred on the President by the Constitution.

Quick Tip

When the Constitution confers a power on a specific office (like the President or a Governor), it is generally understood to be non-delegable unless expressly permitted.

Passage XIII.
To recall, the petitioners while challenging the 1951 and 1965 amendments to the AMU Act in Azeez Basha argued that the amendments were violative of the right to administration guaranteed by Article 30(1). The Union of India responded to the argument with the submission that the Muslim minority cannot claim the right to administration since it did not 'establish' the institution. Opposing this argument, the petitioners in Azeez Basha, submitted that Article 30(1) guarantees the 'right to administer' an educational institution to minorities even if it was not established by them, if by "some process, it had been administering the same before the Constitution came into force." The argument of the petitioners was rejected. This Court held that the words "establish" and "administer" must be read conjunctively, that is, the guarantee of the right to administration is contingent on the establishment of the institution by religious or linguistic minorities...
The issue before this Bench is the indicia for an educational institution to be a minority educational institution. Should it be proved that the institution was established by the minority, or it was administered by the minority, or both? The petitioners and the respondents agree that the words 'establish' and 'administer' must be read conjunctively. They argue that administration is a sequitur to establishment. However, they disagree on the test to be applied to identify a minority education institution. The petitioners argue that the only indicia for a minority educational institution is that it must be established by a minority, while the respondents argue that the dual test of establishment and administration must be satisfied.
(Extracted with edits and revisions from Aligarh Muslim University v. Naresh Agarwal & Ors, 2024 SC 8)

61. Which of the following Supreme Court judgments does not deal with minority

educational institution for the purpose of Article 30(1) of the Constitution of India?

(A) TMA Pai Foundation v. State of Karnataka (2002) 8 SCC 481
(B) S Azeez Basha v. Union of India AIR 1968 SC 662
(C) Rev. Stanislaus v. State of Madhya Pradesh 1977 SCR (2) 611
(D) Central Board of Dawoodi Bohra Community v. State of Maharashtra (2005) 2 SCC 673

Correct Answer: (C) Rev. Stanislaus v. State of Madhya Pradesh 1977 SCR (2) 611

Solution:

Step 1: Understanding the Question:
The question asks to identify which of the given landmark Supreme Court cases is not primarily concerned with the rights of minority educational institutions under Article 30(1).

Step 2: Detailed Explanation:
Let's analyze the subject matter of each case:
(A) **TMA Pai Foundation v. State of Karnataka:** This is a landmark 11-judge bench judgment that extensively interpreted Article 30(1) and laid down principles governing the establishment, administration, and regulation of minority educational institutions. It is a cornerstone of this area of law.
(B) **S Azeez Basha v. Union of India:** As discussed in the provided passage, this case is fundamentally about whether Aligarh Muslim University could be considered a minority institution established and administered by the Muslim minority under Article 30(1).
(C) **Rev. Stanislaus v. State of Madhya Pradesh:** This case dealt with the scope of the right to 'propagate' religion under Article 25 of the Constitution. The Court held that the right to propagate does not include the right to convert another person to one's own religion. Its focus is on Article 25 (freedom of religion), not Article 30 (rights of minorities to establish educational institutions).
(D) **Central Board of Dawoodi Bohra Community v. State of Maharashtra:** This case dealt with the rights of a religious denomination under Article 26 and the power of a religious head to excommunicate members. While it involves minority rights, its focus is on religious practice and autonomy of a denomination rather than the specific rights related to educational institutions under Article 30(1). However, compared to **Rev. Stanislaus**, it is more closely related to minority group rights. **Rev. Stanislaus** is distinctly focused on Article 25 and is the clear outlier.

Step 3: Final Answer:
The judgment in **Rev. Stanislaus v. State of Madhya Pradesh** does not deal with minority educational institutions under Article 30(1).

Quick Tip

For questions about case laws, associate each landmark case with its core constitutional article. TMA Pai - Art 30; Kesavananda Bharati - Art 368/Basic Structure; Maneka Gandhi - Art 21; Rev. Stanislaus - Art 25.

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62. In determining the status of a minority educational institution, Article 30 of the Constitution of India is of significance. Which of the following statements regarding Article 30 is correct? I. Article 30 prescribes conditions which must be fulfilled for an educational institution to be considered a minority educational institution. II. Article 30 confers two group rights on all linguistic and religious minorities: the right to establish an educational institution and the right to administer an educational institution.

Select the most appropriate option:
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Both I and II are incorrect

Correct Answer: (C) Both I and II are correct

Solution:

Step 1: Understanding the Question:
The question asks to evaluate two statements about Article 30 of the Constitution and determine which is/are correct.

Step 2: Detailed Explanation:
Let's analyze both statements:
Statement I: "Article 30 prescribes conditions which must be fulfilled for an educational institution to be considered a minority educational institution."
Article 30(1) states: "All minorities, whether based on religion or language, shall have the right to establish and administer educational institutions of their choice." From this text, the judiciary has derived the essential conditions or tests that an institution must satisfy to claim minority status: (1) it must be established by a minority community (religious or linguistic) and (2) it must be administered by that minority community. The passage itself refers to the "dual test of establishment and administration." Therefore, the statement that Article 30 prescribes (through its language and interpretation) conditions is correct.

Statement II: "Article 30 confers two group rights on all linguistic and religious minorities: the right to establish an educational institution and the right to administer an educational institution."
This is a direct and accurate description of the text of Article 30(1). The right is a composite one, comprising the right to "establish" and the right to "administer." These are the two

fundamental rights conferred upon minorities by this article. The passage confirms this by repeatedly mentioning the words "establish" and "administer".

Step 3: Final Answer:
Since both statements accurately describe the content and interpretation of Article 30, both I and II are correct.

Quick Tip

Article 30(1) is the heart of minority educational rights. Remember the two key verbs: "establish" and "administer." The Supreme Court has consistently held that these two rights are linked and must be read together.

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63. Which core principle from the 1968 judgment in S. Azeez Basha v. Union of India was overruled by the Supreme Court in the 2024 judgment, Aligarh Muslim University v. Naresh Agarwal & Ors.?

(A) That Article 30 protection is not available to 'Universities' established before the commencement of the Constitution.
(B) That the words "establish and administer" in Article 30(1) must be read conjunctively.
(C) That an educational institution is not established by a minority if it derives its legal character and incorporation through a statute.
(D) That legislative amendments to the AMU Act violated Articles 14, 19, 25, 29, and 31 of the Constitution.

Correct Answer: (C) That an educational institution is not established by a minority if it derives its legal character and incorporation through a statute.

Solution:

Step 1: Understanding the Question:
The question asks to identify the specific legal principle laid down in the **Azeez Basha** case that has been overruled by the larger bench in the 2024 **Aligarh Muslim University** case.

Step 2: Detailed Explanation:
(A) This was a related issue but not the central ratio of **Azeez Basha**. The core issue was about the meaning of "establish".
(B) This principle was not overruled. The passage explicitly states, "The petitioners and the respondents agree that the words 'establish' and 'administer' must be read conjunctively." The 2024 judgment reaffirmed this principle from **Azeez Basha**.
(C) This was the central and most controversial finding in the **Azeez Basha** judgment. The court in 1968 held that since Aligarh Muslim University was incorporated and granted university status by a legislative Act of the British Indian government, it was "established" by the state and not by the Muslim minority. The 7-judge bench in the 2024 case overruled this

specific finding. It held that the act of a minority community seeking statutory recognition for an institution it has founded does not strip the institution of its minority character. Therefore, an institution can be established by a minority even if it is incorporated through a statute.
(D) This refers to the specific challenges in the original petition but not the core legal principle or ratio decidendi that was revisited and overruled.

Step 3: Final Answer:
The core principle from **Azeez Basha** that was overruled is that an institution is not "established" by a minority if its legal existence comes from a statute.

Quick Tip

The 2024 AMU judgment is a major development. Its key takeaway is the overruling of the **Azeez Basha** precedent on the point that statutory incorporation negates 'establishment' by a minority for the purpose of Article 30(1).

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64. The court in this case justified application of Article 30(1) to educational institutions established by religious and linguistic minorities before commencement of Constitution through a co-joint reading of Article 30, with Articles 13 and 372. In doing so it observed that 'Article 13(1) has a retroactive effect and not a retrospective effect.' Which of the following statement best captures the difference between the two effects?

(A) A provision is retrospective if it alters the position of law before its enactment/commencement, it is retroactive if it imposes new results for previous actions
(B) A retroactive effect applies only prospectively, whereas retrospective effect alters past rights and liabilities
(C) A provision is retrospective if it applies to past and closed transactions, whereas provision is retroactive if it applies only to future cases
(D) A retrospective provision alters both substantive and procedural rights in the past, while a retroactive provision affects only substantive law

Correct Answer: (A) A provision is retrospective if it alters the position of law before its enactment/commencement, it is retroactive if it imposes new results for previous actions

Solution:

Step 1: Understanding the Question:
The question asks for the best definition that distinguishes between 'retrospective' and 'retroactive' effects, particularly in the context of Article 13(1) of the Constitution.

Step 2: Detailed Explanation:
Article 13(1) states that all pre-Constitution laws inconsistent with the Fundamental Rights shall be void to the extent of such inconsistency. The Supreme Court has held this to be

'retroactive', not 'retrospective'.
Retrospective operation means the law operates backwards and changes the law from a past date, effectively deeming the law to have been different from what it was. It can reopen past and closed transactions. For Article 13(1) to be retrospective, it would mean that pre-Constitution laws inconsistent with fundamental rights were void from their very inception, which is not the case.
Retroactive operation means the law looks backward at past events but applies a new rule or result to them from the date the new law comes into force. Article 13(1) does not nullify pre-constitution laws from the past; it makes them unenforceable from the date the Constitution began (26 Jan 1950). It applies a new result (voidness) to a previous action (the enactment of the old law).

Now let's evaluate the options:
(A) This option captures the distinction perfectly. Retrospective alters the past law ("alters the position of law before its enactment"). Retroactive applies new consequences to past acts ("imposes new results for previous actions"). This matches our understanding.
(B) This is incorrect. "Retroactive effect applies only prospectively" is a contradiction in terms.
(C) This is partially correct about retrospective law applying to closed transactions, but incorrect in stating that retroactive applies only to future cases.
(D) This distinction based on substantive/procedural law is not the fundamental difference between the two terms.

Step 3: Final Answer:
The statement that best captures the difference is (A).

Quick Tip

Think of it this way: Retrospective changes the past itself. Retroactive accepts the past as it was but changes its consequences for the future. Article 13(1) doesn't erase old laws; it just makes them 'eclipsed' or void from 26 January 1950 onwards.

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65. The court observed that a holistic and realistic view should be taken keeping in mind the objective and purpose of the provision. From the judgements referred to by it, which of the following inferences can be drawn: I. Existence of religious place for prayer and worship is a necessary indicator of minority character II. Existence of religious symbols in the precincts of the educational institution are necessary to prove minority character

Select the most appropriate option:
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Both I and II are incorrect

Correct Answer: (D) Both I and II are incorrect

Solution:

Step 1: Understanding the Question:
The question asks what can be inferred from the court's approach of taking a "holistic and realistic view" regarding the indicators of a minority institution's character. Specifically, it questions whether religious places of worship and religious symbols are "necessary" indicators.

Step 2: Detailed Explanation:
The phrase "holistic and realistic view" suggests that courts will not rely on a single, rigid test but will look at a variety of factors to determine the true character of an institution. This approach is intended to be flexible and consider the substance over mere form.
Let's analyze the statements based on this approach:
Statement I: "Existence of religious place for prayer and worship is a **necessary** indicator of minority character". The word "necessary" implies that without a place of worship, an institution cannot be granted minority status. A holistic view would consider this a strong and relevant factor, but not an indispensable or mandatory one. An institution could be established by a minority for secular educational purposes, and its minority character would be evident from its founding documents, management, and objectives, even without a dedicated prayer hall. Thus, it is not a "necessary" condition.
Statement II: "Existence of religious symbols in the precincts of the educational institution are **necessary** to prove minority character". Similar to the above, the word "necessary" makes this statement too rigid. While the presence of religious symbols can be evidence of minority character, a "holistic view" would not mandate their existence as an absolute prerequisite. The overall context and purpose of the institution are more important.

Step 3: Final Answer:
Since a "holistic and realistic view" militates against rigid, necessary conditions, both statements, which claim these factors are "necessary," are incorrect inferences. They are relevant factors, but not sine qua non (essential conditions).

Quick Tip

In legal interpretation, when a court advocates for a "holistic," "purposive," or "realistic" approach, it generally means it is moving away from strict, checklist-based tests. Be wary of options that use absolute words like "necessary," "only," or "must."

XIV. Ahmadi, J.(as he then was) speaking for himself and Punchhi, J., endorsed the recommendations in the following words-The time is ripe for taking stock of the working of the various Tribunals set up in the country after the insertion of Articles 323A and 323B in the Constitution. After the incorporation of these two articles, Acts have been enacted whereunder tribunals have been constituted for dispensation of justice. Sufficient time has passed and experience gained in these last few years for taking stock of the situation with a view to

finding out if they have served the purpose and objectives for which they were constituted. Complaints have been heard in regard to the functioning of other tribunals as well and it is time that a body like the Law Commission of India has a comprehensive look-in with a view to suggesting measures for their improved functioning. That body can also suggest changes in the different statutes and evolve a model on the basis whereof tribunals may be constituted or reconstituted with a view to ensuring greater independence. An intensive and extensive study needs to be undertaken by the Law Commission in regard to the Constitution of tribunals under various statutes with a view to ensuring their independence so that the public confidence in such tribunals may increase and the quality of their performance may improve.
Before parting with the case it is necessary to express our anguish over the ineffectiveness of the alternative mechanism devised for judicial review. The judicial review and remedy are the fundamental rights of the citizens. The dispensation of justice by the tribunal is much to be desired.
(Extracted with Edits from R.K. Jain v. Union of India, 1993 (4) SCC 119)

66. In which of the following case the Court held that though judicial review is a basic feature of the Constitution, the vesting of the power of judicial review in an alternative institutional mechanism, after taking it away from the High Courts, would not violate the basic structure so long as it was ensured that the alternative mechanism was an effective and real substitute for the High Court.

(A) L. Chandra Kumar v. Union Of India And Others 1997
(B) R.K. Jain v. Union of India: 1993
(C) S.P. Sampath Kumar v. Union of India: (1985)
(D) Kesvananda Bharti v. State of Kerala. 1973

Correct Answer: (C) S.P. Sampath Kumar v. Union of India: (1985)

Solution:

Step 1: Understanding the Question:
The question asks to identify the case in which the Supreme Court first upheld the constitutionality of tribunals (under Article 323A) as an alternative to High Courts for judicial review, provided they were an "effective and real substitute."

Step 2: Detailed Explanation:
(A) **L. Chandra Kumar v. Union of India (1997):** This case overruled the position in **S.P. Sampath Kumar**. It held that tribunals cannot completely replace High Courts. The power of judicial review of High Courts under Article 226 and the Supreme Court under Article 32 is a basic feature of the Constitution and cannot be taken away. It established that tribunals would act as courts of the first instance, with their decisions being subject to the writ jurisdiction of the High Court.
(B) **R.K. Jain v. Union of India (1993):** The passage provided is from this case. While it expresses concern over the functioning of tribunals, it does not lay down the specific principle mentioned in the question.
(C) **S.P. Sampath Kumar v. Union of India (1985):** In this case, the Supreme Court upheld the validity of the Administrative Tribunals Act, 1985, and the concept of tribunals

under Article 323A. It was in this judgment that the court held that ousting the jurisdiction of the High Courts would be permissible if the newly created tribunal was an "effective and real substitute" for the High Court. This was the initial legal position before it was modified by the L. Chandra Kumar case.
(D) **Kesvananda Bharti v. State of Kerala (1973):** This case is famous for establishing the "basic structure doctrine," which holds that Parliament cannot amend the essential features of the Constitution. While it declared judicial review to be a part of the basic structure, it did not deal with the specific issue of tribunals as alternative mechanisms.

Step 3: Final Answer:
The principle described in the question was laid down in the case of **S.P. Sampath Kumar v. Union of India**.

Quick Tip

Remember the timeline of tribunal jurisprudence: **Sampath Kumar** allowed tribunals to be a substitute for High Courts. **L. Chandra Kumar** overruled this and made tribunals subordinate to High Courts' writ jurisdiction.

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67. The provisions of the Administrative Tribunals Act, 1985 shall NOT apply to-

(A) Any member of the naval, military or air forces or of any other armed forces of the Union
(B) Officer or servant of the Supreme Court or of any High Court or Courts subordinate
(C) Person appointed to the secretarial staff of either House of Parliament or to the secretarial staff of any State Legislature or a House thereof or, in the case of a Union Territory having a Legislature, of that Legislature.
(D) Officers of the Indian Police Services.

Correct Answer: (D) Officers of the Indian Police Services.

Solution:

Step 1: Understanding the Question:
The question asks which category of personnel is covered by the Administrative Tribunals Act, 1985, by asking which category it shall NOT apply to (implying the question seeks the category that IS subject to the Act, based on common question formats, but let's analyze based on the literal meaning). Section 2 of the Act lists the exclusions. The question is asking to identify the category that is not in the exclusion list. Let's re-read the question: "shall NOT apply to-". This means it's asking for a category that is excluded. Oh wait, options A, B, and C are all explicitly excluded by Section 2. Option D is not. So the question is likely phrased incorrectly, it should probably be "The provisions ... shall apply to-". However, assuming the question wants us to pick the odd one out: A, B, and C are excluded. D is included. The question asks what the Act shall NOT apply to. This implies that D is the incorrect answer for the exclusion list. There seems to be an error in the question's framing. Assuming the question intended to ask

"Which of the following is NOT exempted from the provisions of the Administrative Tribunals Act, 1985?", the answer would be (D). Let's work with the most logical interpretation: find the group whose service matters ARE heard by the Administrative Tribunal.

Step 2: Detailed Explanation:
Section 2 of the Administrative Tribunals Act, 1985, explicitly states the Act shall not apply to certain categories of persons. These include:
- (a) Any member of the naval, military or air forces, or of any other armed forces of the Union. (This matches option A).
- (b) Any officer or servant of the Supreme Court or of any High Court. (This matches option B).
- (c) Any person appointed to the secretarial staff of either House of Parliament or the secretarial staff of any State Legislature. (This matches option C).

The Act is designed to cover service matters of persons appointed to any civil service of the Union or a civil post under the Union. Officers of the Indian Police Services (IPS) fall under the category of All India Services and their service matters are adjudicated by the Central Administrative Tribunal (CAT). Therefore, the Act applies to them; they are not excluded.

Step 3: Final Answer:
The Act shall not apply to the categories mentioned in (A), (B), and (C). It does apply to the category in (D). Given the options, the question is likely flawed, but the intended answer is (D) as the category that is NOT excluded from the Act's purview. Therefore, the statement "The provisions ... shall NOT apply to Officers of the Indian Police Services" is false, making it the answer.

Quick Tip

Remember the main exclusions from the Administrative Tribunals Act: Armed Forces, employees of the legislature, and employees of the higher judiciary. All-India Services (IAS, IPS, IFS) are squarely covered by the CAT.

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68. The first tribunal established in India is:

(A) Central Administrative Tribunal
(B) Railway Claims Tribunal
(C) Armed Forces Tribunal
(D) Income tax Appellate Tribunal

Correct Answer: (D) Income tax Appellate Tribunal

Solution:

Step 1: Understanding the Question:
The question asks to identify the earliest established tribunal from the given options.

Step 2: Detailed Explanation:
Let's look at the establishment dates of the tribunals listed:
(A) **Central Administrative Tribunal (CAT):** Established in 1985 under the Administrative Tribunals Act, 1985.
(B) **Railway Claims Tribunal:** Established in 1987 under the Railway Claims Tribunal Act, 1987.
(C) **Armed Forces Tribunal (AFT):** Established in 2009 under the Armed Forces Tribunal Act, 2007.
(D) **Income tax Appellate Tribunal (ITAT):** Established in January 1941. It was the first-ever tribunal to be created in India and is often referred to as the 'Mother Tribunal'.

Step 3: Final Answer:
Comparing the establishment dates, the Income tax Appellate Tribunal is the oldest and was the first tribunal established in India among the given options.

Quick Tip

While Articles 323A and 323B (added in 1976) systematized the creation of tribunals, several tribunals, like the ITAT (1941), existed long before in pre-independence India.

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69. Article 323A and 323B of the Indian Constitution for the establishment of tribunal to adjudicate disputes in specific matters. While both articles deal with tribunals, there are key differences in their scope and application. Which of the following statements correctly reflect the distinction between Article 323A and 323B?

(A) Article 323A exclusively deals with administrative tribunals for public service matters, while Article 323B deals with the tribunals for a wider range of subjects including taxation and land reforms.
(B) While tribunals under Article 323A can be established only by Parliament, tribunals under Article 323B can only be established by State legislature, with matters falling within their legislative competence.
(C) Under Article 323A, only one tribunal for centre and no tribunal for state may be established. As far as Article 323B is concerned, there is no hierarchy of tribunals.
(D) Article 323A grant tribunals the power to hear appeals directly from the Supreme Court, by passing the high court. Under Article 323B there is no such power.

Correct Answer: (A) Article 323A exclusively deals with administrative tribunals for public service matters, while Article 323B deals with the tribunals for a wider range of subjects including taxation and land reforms.

Solution:

Step 1: Understanding the Question:
The question requires identifying the correct statement that distinguishes between Article 323A and Article 323B of the Constitution.

Step 2: Detailed Explanation:
(A) This statement is correct. Article 323A is specific and narrow in scope; it empowers Parliament to create tribunals solely for disputes relating to the recruitment and conditions of service of public servants. Article 323B has a much wider scope, allowing for the creation of tribunals for several other matters, such as taxation, foreign exchange, industrial and labour disputes, land reforms, ceiling on urban property, etc.
(B) This statement is incorrect. Tribunals under Article 323A can only be established by Parliament. However, tribunals under Article 323B can be established by Parliament or the State Legislatures, depending on which body has the legislative competence over the subject matter. The statement incorrectly says they can "only be established by State legislature".
(C) This statement is incorrect. Article 323A allows for the establishment of one tribunal for the Union (CAT) and a separate administrative tribunal for each State or for two or more States. It also provides for a hierarchy of tribunals, which is contrary to the second part of the statement.
(D) This statement is incorrect and factually absurd. No tribunal has the power to hear appeals from the Supreme Court. The original intent was to allow direct appeals from tribunals to the Supreme Court (bypassing the High Court), but this was struck down in the **L. Chandra Kumar** case.

Step 3: Final Answer:
The only correct statement that accurately reflects the distinction is (A).

Quick Tip

Remember: 'A' in 323A stands for 'Administrative' (public service matters only), and it can only be legislated by Parliament. 'B' in 323B stands for 'Beyond' administrative matters, covering a broader list, and can be legislated by Parliament or State Legislatures.

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70. The creation of Administrative Tribunals to ease the burden of service related cases, on the High Courts and the amendment of the constitution to add articles 323A and 323B were based on the recommendation of:

(A) Parliamentary Standing Committee
(B) National Tribunals Commission
(C) Swaran Singh Committee
(D) Law commission of India's 272nd Report

Correct Answer: (C) Swaran Singh Committee

Solution:

Step 1: Understanding the Question:
The question asks to identify the committee whose recommendations led to the insertion of Articles 323A and 323B into the Constitution.

Step 2: Detailed Explanation:
(A) Parliamentary Standing Committees analyze various bills and policies but were not the original proponents of these constitutional articles.
(B) The idea of a National Tribunals Commission is a more recent suggestion to standardize the appointment and functioning of tribunals, notably discussed in cases like **Madras Bar Association v. Union of India**. It was not the body that recommended the original articles.
(C) The **Swaran Singh Committee**, set up by the Congress party in 1976 during the Emergency, was tasked with recommending amendments to the Constitution. Among its key recommendations were the inclusion of Fundamental Duties and the creation of a separate part for tribunals. These recommendations were incorporated into the Constitution via the 42nd Amendment Act, 1976, which added Part XIV-A (containing Articles 323A and 323B).
(D) The Law Commission's 272nd Report deals with the assessment of the legal framework related to the film industry. Many other Law Commission reports have dealt with tribunals, but not the 272nd, and none were the basis for the 42nd Amendment.

Step 3: Final Answer:
The insertion of Articles 323A and 323B was based on the recommendations of the Swaran Singh Committee.

Quick Tip

The Swaran Singh Committee is fundamentally linked to the 42nd Amendment (1976), also known as the "mini-constitution." Its key recommendations included Fundamental Duties and the creation of Tribunals.

Comprehension Passage (For Questions 71-75):
XV. The Companies Act, 2013 does not deal with insolvency and bankruptcy when the companies are unable to pay their debts or the aspects relating to the revival and rehabilitation of the companies and their winding up if revival and rehabilitation is not possible. In principle, it cannot be doubted that the cases of revival or winding up of the company on the ground of insolvency and inability to pay debts are different from cases where companies are wound up under Section 271 of the Companies Act 2013. The two situations are not identical. Under Section 271 of the Companies Act, 2013, even a running and financially sound company can also be wound up for the reasons in clauses (a) to (e). The reasons and grounds for winding up under Section 271 of the Companies Act, 2013 are vastly different from the reasons and grounds for the revival and rehabilitation scheme as envisaged under the IBC. The two enactments deal with two distinct situations and in

our opinion, they cannot be equated when we examine whether there is discrimination or violation of Article 14 of the Constitution of India. For the revival and rehabilitation of the companies, certain sacrifices are required from all quarters, including the workmen. In case of insolvent companies, for the sake of survival and regeneration, everyone, including the secured creditors and the Central and State Government, are required to make sacrifices. The workmen also have a stake and benefit from the revival of the company, and therefore unless it is found that the sacrifices envisaged for the workmen, which certainly form a separate class, are onerous and burdensome so as to be manifestly unjust and arbitrary, we will not set aside the legislation, solely on the ground that some or marginal sacrifice is to be made by the workers. We would also reject the argument that to find out whether there was a violation of Article 14 of the Constitution of India or whether the right to life under Article 21 Constitution of India was infringed, we must word by word examine the waterfall mechanism envisaged under the Companies Act, 2013, where the company is wound up in terms of grounds (a) to (e) of Section 271 of the Companies Act, 2013; and the rights of the workmen when the insolvent company is sought to be revived, rehabilitated or wound up under the Code. The grounds and situations in the context of the objective and purpose of the two enactments are entirely different.
(Extracted, with edits and revision, from Moser Baer Karamchari Union v. Union of India, 2023 SCC Online SC 547)

71. In which of the following cases, it was held by the Supreme Court that although a company is a separate legal entity distinct from that of its members, the corporate veil may be lifted and the corporate personality may be ignored?

(A) Life Insurance Corporation of India v. Escorts Ltd. (1986) 59 Comp Case 548
(B) R. K. Dalmia vs Delhi Administration, AIR 1962 SC 1821
(C) Dale And Carrington Invt. P. Ltd. v. P.K. Prathapan AIR 2005 SC 1624
(D) Rohtas Industries Ltd v. S.D. Agarwal, AIR 1969 SC 707

Correct Answer: (A) Life Insurance Corporation of India v. Escorts Ltd. (1986) 59 Comp Case 548

Solution:

Step 1: Understanding the Question:
The question asks to identify the case in which the Supreme Court affirmed the principle of a company being a separate legal entity but also established that this "corporate veil" can be lifted to ignore its distinct personality in certain circumstances.

Step 2: Detailed Explanation:
The doctrine of "lifting the corporate veil" means disregarding the corporate personality and looking behind the real persons who are in control of the company. The court may do this to prevent fraud, protect public policy, or when the corporate form is used for improper purposes.

- **Life Insurance Corporation of India v. Escorts Ltd.:** In this landmark case, the Supreme Court extensively discussed the concept of corporate personality. Justice O. Chinnappa Reddy observed that a company is a separate legal entity, but the corporate veil can be lifted in situations where the corporate form is being used to commit fraud, for improper conduct, or where the corporate facade is a sham. The court held that while the corporate veil is not to be lifted lightly, it can be pierced to ascertain the true character and economic realities behind the legal facade. This case is a key authority on the subject.

- **Other options:** While the other cases also touch upon principles of company law, including fraud and mismanagement, the LIC v. Escorts Ltd. case is particularly noted for its comprehensive discussion on the doctrine of lifting the corporate veil in the context of identifying the real controllers of the company.

Step 3: Final Answer:
Based on the analysis, the case of *Life Insurance Corporation of India v. Escorts Ltd.* is the most appropriate answer as it directly deals with the principle of lifting the corporate veil while acknowledging the separate legal entity status of a company.

Quick Tip

Remember the phrase "lifting the corporate veil" is associated with situations where the law needs to see the reality behind the company's legal structure, often to prevent misuse. The LIC v. Escorts case is a cornerstone judgment for this principle.

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72. The extent to which a Corporation as a legal person can be held criminally liable for its acts and omissions and for those of the natural persons employed by it is called?

(A) Corporate manslaughter
(B) Lifting the corporate veil
(C) Corporate criminal liability
(D) Corporate social responsibility

Correct Answer: (C) Corporate criminal liability

Solution:

Step 1: Understanding the Question:
The question asks for the legal term that describes holding a corporation (a legal person) criminally responsible for its actions or the actions of its employees.

Step 2: Detailed Explanation:

- **(A) Corporate manslaughter:** This is a specific criminal offense in some jurisdictions (like the UK) where a corporation's gross negligence leads to a person's death. It is a subset of corporate criminal liability, not the general term.

- **(B) Lifting the corporate veil:** This is a legal procedure to disregard the separate entity status of a company to hold its members or directors liable, which is different from holding the corporation itself criminally liable.

- **(C) Corporate criminal liability:** This is the correct and broad legal doctrine that holds a corporation liable for criminal offenses. It establishes that a company, as a legal entity, can be prosecuted and punished for crimes committed by its agents or employees within the scope of their employment.

- **(D) Corporate social responsibility (CSR):** This is a self-regulating business model and ethical framework that helps a company be socially accountable. It is not a legal doctrine for criminal liability.

Step 3: Final Answer:
The correct term for holding a corporation criminally liable for its acts and omissions is **Corporate criminal liability**.

Quick Tip

Corporate criminal liability is about attributing a "guilty mind" (mens rea) and a "guilty act" (actus reus) to the corporation itself, often through the actions of its directors or key employees.

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73. In which of the following cases, the constitutionality of the Insolvency and Bankruptcy Code, 2016 was upheld by the Supreme Court?

(A) RPS Infrastructure Ltd. v. Union of India, 2023 INSC 816
(B) Paschimanchal Vidyut Vitran Nigam Ltd. v. Union of India, AIR 1971 SC 862
(C) Union Bank of India v. Financial Creditors of M/s Amtek Auto Limited, (2023) IBC Law.in 85 SC.
(D) Swiss Ribbons v. Union of India, (2019) SCC Online SC 73.

Correct Answer: (D) Swiss Ribbons v. Union of India, (2019) SCC Online SC 73.

Solution:

Step 1: Understanding the Question:
The question asks to identify the landmark Supreme Court case that affirmed the constitutional

validity of the Insolvency and Bankruptcy Code, 2016 (IBC).

Step 2: Detailed Explanation:
The Insolvency and Bankruptcy Code, 2016, was a significant reform in India's commercial laws. Its constitutionality was challenged on various grounds, including alleged discrimination between financial creditors and operational creditors.

- **Swiss Ribbons Pvt. Ltd. v. Union of India (2019):** This is the seminal judgment where the Supreme Court comprehensively examined the provisions of the IBC and upheld its constitutional validity. The Court reasoned that the classification between financial and operational creditors is not discriminatory but is based on an intelligible differentia, given their different nature and roles in a company's finances. The Court emphasized that the IBC's primary focus is on the revival of the corporate debtor and not merely recovery, making it an economic legislation designed to bring value.

- **Other options:** The other cases listed deal with different aspects of insolvency or company law but are not the primary judgment that upheld the overall constitutionality of the IBC.

Step 3: Final Answer:
The Supreme Court upheld the constitutionality of the Insolvency and Bankruptcy Code, 2016 in the case of **Swiss Ribbons v. Union of India**.

Quick Tip

For questions about the constitutionality of major laws like the IBC, always look for the first and most comprehensive judgment that settled the matter. For IBC, that case is unequivocally *Swiss Ribbons*.

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74. A director other than a managing director or a whole-time director or a nominee director who does not have any material or pecuniary relationship with the company/ directors other than the remuneration is called

(A) Founding Director
(B) Promoter Director
(C) Independent Director
(D) Associate Director

Correct Answer: (C) Independent Director

Solution:

Step 1: Understanding the Question:
The question provides a definition and asks for the corresponding type of director as per company law. The key characteristics are: not a managing/whole-time/nominee director, and no material pecuniary relationship with the company, except for remuneration.

Step 2: Key Formula or Approach:
The definition of an "Independent Director" is provided in Section 149(6) of the Companies Act, 2013. We need to match the question's description with this legal definition.

Step 3: Detailed Explanation:
According to Section 149(6) of the Companies Act, 2013, an independent director is a non-executive director who:

- is not a managing director, whole-time director, or a nominee director.
- does not have any material pecuniary relationship or transaction with the company, its promoters, its directors, its senior management, or its holding, subsidiary or associate company, which may affect their independence. The remuneration received as a director does not count as a pecuniary relationship in this context.

The description in the question perfectly matches the definition of an Independent Director under the Companies Act, 2013. Their role is to provide an independent judgment and oversight to the board's functioning.

Step 4: Final Answer:
The director described in the question is an **Independent Director**.

Quick Tip

The key to identifying an Independent Director is their 'independence'—meaning no financial or other ties (apart from their fee) that could compromise their objective judgment on company matters.

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75. Which among the following is not a duty of a Director of the company?

(A) To file return of allotments
(B) To disclose interest
(C) Duty to call upon the shareholders to attend the Board meetings
(D) To convene General meeting

Correct Answer: (C) Duty to call upon the shareholders to attend the Board meetings

Solution:

Step 1: Understanding the Question:
The question asks to identify which of the given options is not a duty or responsibility of a

company's director.

Step 2: Detailed Explanation:
Let's analyze each option based on the Companies Act, 2013 and general corporate governance principles:

- **(A) To file return of allotments:** While the company secretary or other officers may handle the physical filing, the Board of Directors is ultimately responsible for ensuring compliance with statutory requirements like filing the return of allotments (Form PAS-3) with the Registrar of Companies. This falls under their collective responsibility.

- **(B) To disclose interest:** This is a specific and crucial duty of a director under Section 184 of the Companies Act, 2013. Directors must disclose their personal interest, direct or indirect, in any contract or arrangement with the company.

- **(C) Duty to call upon the shareholders to attend the Board meetings:** This is incorrect. Board meetings are meetings of the directors, not shareholders. Shareholders do not have a right to attend board meetings. They attend General Meetings (like the Annual General Meeting or Extraordinary General Meeting). Therefore, a director has no duty to call shareholders to a board meeting.

- **(D) To convene General meeting:** The Board of Directors has the duty and power to convene general meetings of shareholders as required by law (e.g., the AGM) or when necessary (e.g., an EGM).

Step 3: Final Answer:
The statement that is not a duty of a director is the **Duty to call upon the shareholders to attend the Board meetings**.

Quick Tip

Remember the clear distinction: Board Meetings are for Directors to manage the company. General Meetings are for Shareholders to oversee the directors and approve major decisions. Shareholders attend General Meetings, not Board Meetings.

Comprehension Passage (For Questions 76-78):
This Court has tried to indicate in recent cases that the meaning of what could be described as a basic "structure" of the Constitution must necessarily be found in express provisions of the construction and not merely in subjective notions about meanings of words. Similar must be the reasoning we must employ in extracting the meaning hidden between the interstices of statutory provisions. Each of us is likely to have a subjective notion about "industry". For objectivity, we have

to look first to the, words used in the statutory provision defining industry in an attempt to find the meaning. If that meaning is clear, we need proceed no further. But, the trouble here is that the words found there do not yield a meaning so readily. They refer to what employers or workers may do as parts of their ordinary avocation or business in life.
(Extracted with edits from Bangalore Water Supply v. A. Rajappa & Others, AIR 1978 SC 548)

76. According to the Supreme Court's judgment, what is the most important factor in determining whether an activity constitutes an industry?

(A) The profit-making motive of the employer
(B) When there are multiple activities carried on by an establishment, its dominant function has to be considered. If the dominant function is not commercial, benefits of a workman of an industry under Industrial Dispute Act may be given.
(C) The nature of the activity and the authority of the employer over its employees
(D) When there are multiple activities carried on by an establishment, all the activities must be considered. Even if one activity is commercial, the employees will not get the benefit of workman of an industry under the Industrial Dispute Act.

Correct Answer: (B) When there are multiple activities carried on by an establishment, its dominant function has to be considered. If the dominant function is not commercial, benefits of a workman of an industry under Industrial Dispute Act may be given.

Solution:

Step 1: Understanding the Question:
The question asks for the most important factor, according to the *Bangalore Water Supply* judgment, for determining if an activity is an "industry" under the Industrial Dispute Act, 1947.

Step 2: Detailed Explanation:
The landmark judgment in *Bangalore Water Supply v. A. Rajappa* laid down the "triple test" to define an industry. It is any systematic activity organized by cooperation between employer and employee for the production and/or distribution of goods and services calculated to satisfy human wants and wishes. The judgment explicitly stated that a profit motive is not essential. When an organization has multiple and complex activities, the court introduced the "dominant nature" test.

- **(A) The profit-making motive of the employer:** The court specifically rejected this as a necessary condition.

- **(B) its dominant function has to be considered:** This accurately reflects the "dominant nature" test established in the judgment. The court held that one must determine the primary or dominant activity of the establishment. If this dominant activity falls

within the definition of "industry," then the entire establishment is considered an industry, and its workers are entitled to the benefits under the Industrial Dispute Act, even if some ancillary functions are not commercial in nature. This option correctly captures this nuanced approach.

- **(C) The nature of the activity...:** This is part of the test, but option (B) is more specific and comprehensive, especially regarding complex organizations.

- **(D) ...all the activities must be considered:** This is incorrect. The dominant nature test implies that one primary activity is the deciding factor, not that all activities must be commercial.

Step 3: Final Answer:
The most important factor for an establishment with multiple activities is its dominant function, as correctly described in option (B).

Quick Tip

For the *Bangalore Water Supply* case, remember two key things: the "triple test" for defining an industry and the "dominant nature test" for complex organizations. The profit motive is irrelevant.

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77. Which of the following best describes the broader impact of the judgment?

(A) It reduced labour protections for workers
(B) It extended labour protections to a broader spectrum of workers
(C) It had no significant impact on labour laws
(D) It only affected private sector workers

Correct Answer: (B) It extended labour protections to a broader spectrum of workers

Solution:

Step 1: Understanding the Question:
The question asks about the overall effect or impact of the *Bangalore Water Supply* judgment on labour law in India.

Step 2: Detailed Explanation:
Prior to this judgment, the definition of "industry" was interpreted narrowly. The Supreme Court's decision in *Bangalore Water Supply v. A. Rajappa* significantly broadened the scope of the term "industry" as defined in the Industrial Dispute Act, 1947.
By doing so, it brought a vast number of establishments, which were previously considered

outside the purview of the Act, under its ambit. This included hospitals, educational institutions, research institutes, charitable organizations, and government departments, as long as they satisfied the "triple test."
The direct consequence of this was that employees in these sectors could now avail the protections and dispute resolution mechanisms provided by the Industrial Dispute Act. Therefore, the judgment's impact was to extend labour protections to a much wider group of workers.

Step 3: Final Answer:
The judgment's broader impact was that it **extended labour protections to a broader spectrum of workers**.

Quick Tip

The *Bangalore Water Supply* case is famous for its expansive interpretation of "industry," bringing many non-traditional workplaces like hospitals and schools under the Industrial Dispute Act.

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78. Which of the following best describes the term 'industry' as defined by the Supreme Court in this judgment?

(A) Any activity involving profit-making
(B) Any systematic activity organized by cooperation between an employer and employees for producing or distributing goods and services
(C) Only activities conducted by private enterprises
(D) Activities limited to manufacturing sectors

Correct Answer: (B) Any systematic activity organized by cooperation between an employer and employees for producing or distributing goods and services

Solution:

Step 1: Understanding the Question:
The question asks for the best description of the term 'industry' as defined by the Supreme Court in the *Bangalore Water Supply* judgment.

Step 2: Detailed Explanation:
The core of the judgment was the formulation of a practical test to define 'industry'. This is famously known as the "triple test". According to this test, an 'industry' exists where there is:

1. **Systematic activity,**
2. **Organized by co-operation between an employer and his employees,**
3. **For the production and/or distribution of goods and services calculated to satisfy human wants and wishes.**

Let's evaluate the options against this test:

- **(A) Any activity involving profit-making:** Incorrect. The judgment explicitly stated that the absence of a profit motive or a charitable nature does not take an enterprise out of the definition of 'industry'.

- **(B) Any systematic activity organized by cooperation between an employer and employees for producing or distributing goods and services:** This option is a near-perfect summary of the "triple test" laid down by the court. It captures all the essential elements.

- **(C) Only activities conducted by private enterprises:** Incorrect. The judgment expanded the definition to include government departments, statutory bodies, and other public sector undertakings.

- **(D) Activities limited to manufacturing sectors:** Incorrect. The judgment's main impact was to move beyond the traditional understanding of industry as just manufacturing and to include service-oriented sectors.

Step 3: Final Answer:
The most accurate description of 'industry' from the judgment is provided in option (B).

Quick Tip

The "triple test" from the *Bangalore Water Supply* case is a fundamental concept in Indian Labour Law. Memorizing its three components (systematic activity, employer-employee cooperation, production/distribution of goods/services) is key to answering related questions.

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79. In which of the following landmark judgements, the Supreme Court held that when an association or society of apartment owners employs workers for personal services to its members, those workers do not qualify as workmen under the Act and the association is not an "Industry" under the Industrial Disputes Act?

(A) Som Vihar Apartment Owners' Housing Maintenance Society Ltd v. Workmen, 2009 SC
(B) Anand Vihar Apartment Owners' Society Ltd. V. Workmen, 2024 SC
(C) Kanchanjunga Building Employees Union v. Kanchanjunga Flat Owner's Society & Anr., 2024 SC
(D) Workmen represented by Secretary v. Reptakos Brett AIR 1992 SC 504

Correct Answer: (C) Kanchanjunga Building Employees Union v. Kanchanjunga Flat Owner's Society & Anr., 2024 SC

Solution:

Step 1: Understanding the Question:
The question asks to identify the Supreme Court judgment which established that a residential apartment owners' society, which employs staff for the personal service of its members (like cleaning, security), is not an "industry" under the Industrial Disputes Act, 1947.

Step 2: Detailed Explanation:
The definition of "industry" under the Industrial Disputes Act was expansively interpreted in the *Bangalore Water Supply* case. However, subsequent judgments have carved out exceptions.

- **(A) Som Vihar Apartment Owners' Housing Maintenance Society Ltd v. Workmen:** This case (from 2002, not 2009) was one of the early landmark judgments that held that a residential society is not an industry as it does not carry on a trade or business and its services are for the members themselves.

- **(C) Kanchanjunga Building Employees Union v. Kanchanjunga Flat Owner's Society & Anr., 2024 SC:** This is a very recent judgment where a larger bench of the Supreme Court has reaffirmed and clarified this position. The court held that cooperative societies and apartment owners' associations which are run for and by the members, and are not engaged in a commercial enterprise, do not fall within the definition of 'industry'. This recent pronouncement is a definitive authority on the subject.

- The other options are not the primary judgments on this specific issue. Given the presence of a recent, authoritative 2024 ruling, it is the most precise answer.

Step 3: Final Answer:
While *Som Vihar* was an important earlier judgment, the recent 2024 judgment in *Kanchanjunga Building Employees Union* provides the current and authoritative stance of the Supreme Court, making it the best answer.

Quick Tip

In law exams, when a recent judgment by a larger bench clarifies a legal position, it is often the intended correct answer over older precedents. Always be aware of recent landmark rulings.

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80. Under the Industrial Dispute Act, 1947, what is the role of the "Works Committee" and which of the following correctly describes its function?

(A) The works committee is a body formed by the central government to address wage disputes between employer and employee in public sector industries.

(B) The works committee is a grievance redressal body constituted by the employer, primarily to promote measures for securing and preserving amity and good relations between the employer and employee.
(C) The Works Committee is responsible for making binding decisions on industrial disputes related to layoffs, retrenchment and closure of industrial units.
(D) The Works Committee is responsible for adjudicating major industrial disputes regarding wages, bonus or retrenchment.

Correct Answer: (B) The works committee is a grievance redressal body constituted by the employer, primarily to promote measures for securing and preserving amity and good relations between the employer and employee.

Solution:

Step 1: Understanding the Question:
The question asks for the primary function of a "Works Committee" as established under the Industrial Dispute Act, 1947.

Step 2: Key Formula or Approach:
The role and function of the Works Committee are defined in Section 3 of the Industrial Dispute Act, 1947.

Step 3: Detailed Explanation:
According to Section 3 of the Act, in any industrial establishment with 100 or more workmen, the employer is required to constitute a Works Committee. The section explicitly states that "it shall be the duty of the Works Committee to promote measures for securing and preserving amity and good relations between the employer and workmen and, to that end, to comment upon matters of their common interest or concern and endeavour to compose any material difference of opinion in respect of such matters."

- This description perfectly matches option (B).

- The Works Committee is consultative and recommendatory in nature; it does not have powers of adjudication or making binding decisions on major industrial disputes like wages, layoffs, or retrenchment. Therefore, options (C) and (D) are incorrect.

- It is constituted by the employer, not the central government, and its scope is not limited to public sector industries, making option (A) incorrect.

Step 4: Final Answer:
The function of the Works Committee is to act as a consultative body to foster good relations and resolve day-to-day differences, not to adjudicate major disputes.

Quick Tip

Remember, the Works Committee is the first, internal level of dispute prevention. Its role is about promoting harmony ("amity"), not formal adjudication like a Labour Court or Tribunal.

Comprehension Passage (For Questions 81-85):
XVII. The Act of 1948 defines "manufacturing process" and we clearly find that "washing, cleaning" and the activities carried out by the respondent with a view to its use, delivery or disposal are squarely attracted. The contention of the respondent that dry cleaning does not make any product usable, saleable or worthy of transport, delivery or disposal has only to be stated to be rejected. "Manufacturing process" has been defined to mean any process for washing or cleaning with a view to its use, sale, transport, delivery or disposal. The linen deposited with the launderer is, after washing and cleaning, delivered to the customer for use. The ingredients of the section are fully satisfied. There is nothing in the Act of 1948, which is repugnant in the subject or context, constraining us to jettison the definition. Hence, we reject the findings of the High Court and hold that the activity carried out which is not disputed is clearly covered by the definition of "manufacturing process" under Section 2(k) which, in turn, would bring the premises in question of the respondent under the definition of "factory" under Section 2(m). If that were so, the complaint lodged against the respondent could not have been quashed.
(Extracted with edits from The State of Goa v. Namita Tripathi, 2025 INSC 306)

81. According to the Supreme Court's interpretation of Section 2(k)(i) of the Factories Act, 1948, the business of a laundry service involving cleaning and washing of clothes is considered a "manufacturing process" primarily because it involves:

(A) Producing a new marketable commodity through transformation.
(B) Washing or cleaning any article or substance with a view to its delivery or use.
(C) Carrying on a service and not a manufacturing activity.
(D) Employing more than 50 workers, regardless of the activity.

Correct Answer: (B) Washing or cleaning any article or substance with a view to its delivery or use.

Solution:

Step 1: Understanding the Question:
The question asks for the primary reason, based on the provided passage, why a laundry service is considered a "manufacturing process" under the Factories Act, 1948.

Step 2: Detailed Explanation:
The passage explicitly addresses this point. It quotes the definition from the Act and applies

it to the laundry business.
The key sentences are:

- "The Act of 1948 defines 'manufacturing process' and we clearly find that 'washing, cleaning' and the activities carried out by the respondent with a view to its use, delivery or disposal are squarely attracted."

- "'Manufacturing process' has been defined to mean any process for washing or cleaning with a view to its use, sale, transport, delivery or disposal."

This directly matches the wording of option (B). The court's reasoning is not that a new commodity is produced (A), but that the specific act of "washing or cleaning" for delivery or use is explicitly included in the statutory definition. Option (C) is what the respondent argued and the court rejected. Option (D) relates to the definition of a 'factory', not a 'manufacturing process'.

Step 3: Final Answer:
The Supreme Court's reasoning, as stated in the passage, is that the definition of "manufacturing process" in the Factories Act explicitly includes the act of washing or cleaning an article for its use or delivery.

Quick Tip

When a question is based on a passage, the answer is almost always directly stated or strongly implied within the text. Locate the keywords from the question in the passage to find the answer quickly.

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82. What rule of statutory interpretation did the Supreme Court explicitly state should be applied to the Factories Act, 1948, because of its nature?

(A) Rule of Literal Interpretation.
(B) Doctrine of Stare Decisis.
(C) Liberal and Beneficial Construction.
(D) Rule of Ejusdem Generis.

Correct Answer: (C) Liberal and Beneficial Construction.

Solution:

Step 1: Understanding the Question:
The question asks about the specific rule of interpretation that courts apply to the Factories Act, 1948, due to its character as a piece of legislation.

Step 2: Detailed Explanation:
The Factories Act, 1948, is a social welfare legislation. Its primary purpose is to protect the health, safety, and welfare of workers in factories. It is a well-established principle of statutory interpretation that social welfare and labour laws should be interpreted liberally to advance the object of the legislation and benefit the class of persons for whom the law was made (in this case, workers). This approach is known as the rule of Beneficial Construction or Liberal Construction.

- **(A) Rule of Literal Interpretation:** This rule is applied when the language of the statute is plain and unambiguous. However, for welfare legislations, courts often depart from a strict literal meaning to achieve the statute's purpose.

- **(B) Doctrine of Stare Decisis:** This means to stand by things decided; it is the principle of following precedent, not a rule of interpreting the text of a statute itself.

- **(C) Liberal and Beneficial Construction:** This is the correct rule for interpreting welfare statutes like the Factories Act, to ensure the intended benefits reach the workers.

- **(D) Rule of Ejusdem Generis:** This rule applies when general words follow specific words in a list, and it limits the general words to the same class as the specific ones. It is not the general rule for interpreting the entire Act.

Step 3: Final Answer:
The Factories Act, 1948, being a welfare legislation, must be interpreted using the rule of **Liberal and Beneficial Construction**.

Quick Tip

For any law related to labour, social security, or worker welfare (like the Factories Act, ESIC Act, Minimum Wages Act), the default rule of interpretation is always Beneficial Construction.

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83. The Supreme Court used the 'Mischief Rule' of interpretation to analyze the definition of "manufacturing process" by comparing the Factories Act, 1948, with its predecessor. What was the critical difference noted in the 1948 Act's definition (Section 2(k)) compared to the 1934 Act's definition (Section 2(g))?

(A) The 1948 Act introduced the concept of "power" being used in the process.
(B) The 1948 Act included the words 'washing, cleaning', which were absent in the 1934 Act.
(C) The 1948 Act removed the exemption for mobile units of the armed forces.
(D) The 1948 Act lowered the minimum age of employment for children.

Correct Answer: (B) The 1948 Act included the words 'washing, cleaning', which were absent in the 1934 Act.

Solution:

Step 1: Understanding the Question:
The question asks to identify a key change in the definition of "manufacturing process" introduced by the Factories Act, 1948, when compared to the earlier 1934 Act. This change was identified by the Supreme Court using the Mischief Rule (which looks at the problem the new law was trying to solve).

Step 2: Detailed Explanation:
The Mischief Rule (or Heydon's case rule) requires the court to consider four things: 1) What was the common law before the Act? 2) What was the mischief and defect for which the common law did not provide? 3) What remedy the Parliament has resolved and appointed to cure the disease of the commonwealth? 4) The true reason of the remedy.
Applying this, the definition of "manufacturing process" in Section 2(g) of the 1934 Act was much narrower. The 1948 Act was enacted to remedy the defects and widen the scope of worker protection. One of the key changes in Section 2(k) of the 1948 Act was the explicit inclusion of processes that don't necessarily 'make' a new article but 'treat' or 'adapt' it. The inclusion of words like "washing, cleaning, repairing, ornamenting, finishing, packing..." significantly broadened the definition. The specific inclusion of "washing, cleaning" was a crucial expansion, which is the subject of the comprehension passage itself.

Step 3: Final Answer:
The critical difference was the expansion of the definition in the 1948 Act to include processes like **'washing, cleaning'**, which were not present in the 1934 Act's definition.

Quick Tip

The Mischief Rule is about finding the "why" behind a new law. The 1948 Factories Act was intended to fix the narrowness of the 1934 Act, so look for options that represent a broadening of scope or protection.

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84. A premises is defined as a "factory" under Section 2(m)(i) of the Factories Act, 1948, if:

(A) Twenty or more workers are working without the aid of power.
(B) Ten or more workers are working, and a manufacturing process is carried on with the aid of power.
(C) Less than ten workers are working, but the process involves hazardous substances.
(D) It is a hotel, restaurant, or eating place.

Correct Answer: (B) Ten or more workers are working, and a manufacturing process is carried on with the aid of power.

Solution:

Step 1: Understanding the Question:
The question asks for the specific conditions that define a "factory" under Section 2(m)(i) of the Factories Act, 1948.

Step 2: Key Formula or Approach:
The definition of "factory" is given in Section 2(m) of the Act, which has two main clauses. We need to identify the contents of clause (i).

Step 3: Detailed Explanation:
Section 2(m) of the Factories Act, 1948 defines "factory" as any premises including the precincts thereof—

- **(i)** whereon **ten or more workers** are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on **with the aid of power**, or is ordinarily so carried on, or

- **(ii)** whereon **twenty or more workers** are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on **without the aid of power**, or is ordinarily so carried on.

The question specifically asks about Section 2(m)(i). This corresponds exactly to option (B). Option (A) corresponds to Section 2(m)(ii). Options (C) and (D) are incorrect; hotels and restaurants are explicitly excluded from the definition of a factory.

Step 4: Final Answer:
The correct definition of a factory under Section 2(m)(i) is a premises with **ten or more workers** where a manufacturing process is carried on **with the aid of power**.

Quick Tip

A simple way to remember the definition of a factory: "10 with power, 20 without." This refers to the minimum number of workers required.

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85. The Supreme Court ruled that the Punjab and Haryana High Court judgment in Employees' State Insurance Corporation, Jullundur v. Triplex Dry Cleaners and Others (1982) was not applicable to the present case because:

(A) The Triplex Dry Cleaners case was decided under the Shops and Establishments Act, not the Factories Act.
(B) The Triplex Dry Cleaners case was decided before the definition of "manufacturing process" under the Factories Act, 1948, was incorporated into the Employees State Insurance Act (ESIC Act).
(C) The Triplex Dry Cleaners case dealt with washing, not dry cleaning.
(D) The ESIC Act was a penal statute, while the Factories Act, 1948, is a welfare statute.

Correct Answer: (D) The ESIC Act was a penal statute, while the Factories Act, 1948, is a welfare statute.

Solution:

Step 1: Understanding the Question:
The question asks for the reason why the Supreme Court distinguished the present case (under the Factories Act) from a previous High Court judgment in *Triplex Dry Cleaners* (which was under the ESIC Act).

Step 2: Detailed Explanation:
This question requires an understanding of the principles of legal interpretation and the nature of different statutes. While both the Factories Act and the ESIC Act are welfare legislations, courts sometimes draw distinctions based on the specific context or perceived nature of the provisions being invoked. The case mentioned in the passage, *State of Goa v. Namita Tripathi*, involved a complaint and potential prosecution under the Factories Act for non-compliance. In this context, the provisions of the Factories Act could be seen as having a penal aspect (imposing penalties for violations).
In legal reasoning, a judgment rendered under one statute may not be a binding precedent for a case under another statute if the objects and purposes of the two acts are different. The court in the *Namita Tripathi* case likely distinguished the *Triplex Dry Cleaners* case by highlighting the difference in the statutory context. Option (D) points out a possible interpretive distinction made by the court: treating the ESIC Act in that specific context as a welfare statute (requiring liberal interpretation for coverage) and the provision of the Factories Act being invoked as having penal consequences (requiring a stricter interpretation). While both are broadly welfare laws, this distinction in their application (benefit-conferring vs. penalty-imposing) is a valid ground for distinguishing precedents. The other options are less likely to be correct. The definition of 'manufacturing process' from the Factories Act has long been relevant to the ESIC Act.

Step 3: Final Answer:
The most plausible legal reasoning for distinguishing a precedent from a different statute is the difference in the nature and purpose of the specific provisions of the statutes in question. Option (D) provides such a distinction.

Quick Tip

When courts distinguish precedents, they often focus on differences in facts, the specific law applied, or the purpose (e.g., welfare vs. penal) of the statutes involved.

Comprehension Passage (For Questions 86-90):
XVIII. The element of gift is traceable to both 'settlement' and 'will'. As settled in law, the nomenclature of an instrument is immaterial and the nature of the document is to be derived from its contents. While so, a voluntary disposition can transfer the interest in praesenti and in future, in the same document. In such a case, the document would have the elements of both the settlement and will. Such document, then has to be registered and by operation of the doctrine of severability, becomes a composite document and has to be treated as both, a settlement and will and the respective rights will flow with regard to each disposition from the same document. It is pertinent to mention here that the reservation of life interest or any condition in the instrument, even if it postpones the physical delivery of possession to the donee/settlee, cannot be treated as a will, as the property had already been vested with the donee/settlee.
[Extracted from: NP Saseendran v NP Ponnamma 2025 INSC 388.]

86. Which of the following is NOT an essential of a valid gift:

(A) It is a transfer of certain existing movable or immovable property.
(B) It is made voluntarily.
(C) It is made without consideration.
(D) It must be accepted by or on behalf of the donee during the lifetime of the donor, even if the donor becomes incapable of giving the property.

Correct Answer: (D) It must be accepted by or on behalf of the donee during the lifetime of the donor, even if the donor becomes incapable of giving the property.

Solution:

Step 1: Understanding the Question:
The question asks to identify the statement that is NOT an essential requirement for a valid gift under the law.

Step 2: Key Formula or Approach:
The essentials of a valid gift are defined in Section 122 of the Transfer of Property Act, 1882.

Step 3: Detailed Explanation:
Section 122 defines a "gift" as the transfer of certain existing movable or immovable property made voluntarily and without consideration, by one person, called the donor, to another, called the donee, and accepted by or on behalf of the donee. The section further adds a crucial

condition for acceptance: "Such acceptance must be made during the lifetime of the donor and **while he is still capable of giving**."
Let's analyze the options:

- (A), (B), and (C) are correct essentials of a valid gift.
- (D) states that acceptance must happen during the donor's lifetime, which is correct. However, it adds the clause "even if the donor becomes incapable of giving the property." This contradicts the explicit requirement of Section 122. If the donor becomes legally incapable of giving (e.g., becomes insane) before the gift is accepted, the gift is void. Therefore, this statement is incorrect.

Step 4: Final Answer:
The statement in option (D) is not a correct essential of a valid gift because acceptance must be made while the donor is both alive and capable of giving.

Quick Tip

For a valid gift, remember the five essentials: 1. Transfer of ownership, 2. Existing property, 3. Voluntarily and without consideration, 4. Donor and Donee, 5. Acceptance by the donee during the lifetime and while the donor is capable.

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87. The element of _____ is common to all the three transactions, i.e. Gift, Settlement and Will:

(A) physical delivery of possession.
(B) absence of consideration.
(C) voluntary disposition.
(D) vesting of the right in praesenti.

Correct Answer: (C) voluntary disposition.

Solution:

Step 1: Understanding the Question:
The question asks to identify the common element shared by a Gift, a Settlement, and a Will.

Step 2: Detailed Explanation:
Let's examine each option:

- **(A) physical delivery of possession:** This is not common to all. For a gift of immovable property, registration is required, not necessarily physical delivery. For a Will, possession is transferred only after the testator's death.

- **(B) absence of consideration:** This is a defining feature of a Gift. While many settlements and all wills are also made without consideration, a settlement (e.g., a marriage settlement) can sometimes be supported by consideration. Therefore, it's not a universally common element.

- **(C) voluntary disposition:** This is the core element common to all three. A gift must be made voluntarily. A settlement is a voluntary arrangement to dispose of property. A will is a person's voluntary declaration of their intentions regarding their property after their death. All three are acts of the owner's free will. The passage also mentions "a voluntary disposition can transfer the interest".

- **(D) vesting of the right in praesenti:** This means the interest is transferred immediately. This is true for gifts and settlements. However, a Will is revocable and only takes effect upon the death of the testator; no interest vests in the beneficiary *in praesenti*.

Step 3: Final Answer:
The common thread linking a Gift, Settlement, and Will is that they are all forms of **voluntary disposition** of property.

Quick Tip

When comparing legal transactions like Gift, Will, and Settlement, focus on the fundamental nature of the act. The voluntariness of the person disposing of the property is the most basic common element.

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88. The main test to find out whether a document constitutes a 'Will' or a 'Settlement' is to see whether the disposition of the interest in the property is in praesenti in favour of the settlee or whether the disposition is to take effect on the death of the executant. In view of this position of law, choose the CORRECT proposition:

(A) If the disposition is to take effect on the death of the executant, it will be a Settlement. But, if the executant divests his interest in the property and vests his interest in praesenti in the transferee, the document will be a Will.
(B) Whether the disposition is to take effect on the death of the executant or the executant divests his interest in the property and vests his interest in praesenti in the transferee, the document will nevertheless remain a Settlement.
(C) If the disposition is to take effect on the death of the executant, it will be a Will. But, if the executant divests his interest in the property and vests his interest in praesenti in the settlee, the document will be a Settlement.
(D) If the disposition takes effect on the assumption of death of the executant, it shall be a will.

Correct Answer: (C) If the disposition is to take effect on the death of the executant, it will

be a Will. But, if the executant divests his interest in the property and vests his interest in praesenti in the settlee, the document will be a Settlement.

Solution:

Step 1: Understanding the Question:
The question provides the legal test to distinguish a Will from a Settlement and asks to choose the option that correctly applies this test. The test is: does the interest transfer immediately (*in praesenti*) or upon the death of the executant?

Step 2: Detailed Explanation:
Let's apply the test provided in the question stem:

- **Will:** The disposition of interest takes effect only after the death of the executant (testator). It is revocable during the testator's lifetime.
- **Settlement:** The disposition of interest takes effect immediately (*in praesenti*), divesting the executant of their interest and vesting it in the settlee. It is generally irrevocable. The passage clarifies that even reserving a life interest for oneself doesn't make it a will, as the property has already vested in the settlee.

Now let's check the options:

- (A) This option reverses the definitions.
- (B) This option is incorrect as it claims the document is always a settlement regardless of the test.
- (C) This option correctly states both parts of the test. If the effect is upon death, it's a Will. If the interest vests immediately (*in praesenti*), it's a Settlement. This is the correct proposition.
- (D) This is a correct statement about a Will but is incomplete compared to option (C) which provides the full comparison.

Step 3: Final Answer:
Option (C) accurately describes the distinction between a Will and a Settlement based on the timing of the vesting of interest.

Quick Tip

The key difference between a Will and a Settlement is the timing. Will = Post-mortem (after death). Settlement = In praesenti (immediate transfer of interest). Remember "Will is ambulatory, Settlement is immediate".

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89. Which of the following propositions is INCORRECT about a valid gift:

(A) A gift may be suspended or revoked.
(B) A gift comprising both existing and future property is valid in totality.

(C) Delivery of possession is not a condition sine qua non to validate the gift.
(D) In so far as gift of an immovable property is concerned, registration is mandatory.

Correct Answer: (B) A gift comprising both existing and future property is valid in totality.

Solution:

Step 1: Understanding the Question:
The question asks to identify the incorrect statement about the law of gifts from the given options.

Step 2: Key Formula or Approach:
The validity of these propositions is determined by the Transfer of Property Act, 1882, specifically Sections 122-129.

Step 3: Detailed Explanation:

- **(A) A gift may be suspended or revoked:** This is correct. Section 126 of the TPA allows for a gift to be suspended or revoked upon the happening of a specified event not dependent on the will of the donor. For example, a gift may be made revocable if the donee predeceases the donor.

- **(B) A gift comprising both existing and future property is valid in totality:** This is INCORRECT. Section 124 of the TPA explicitly states that a gift comprising both existing and future property is void as to the latter. A gift can only be made of existing property. Therefore, such a gift is not "valid in totality."

- **(C) Delivery of possession is not a condition sine qua non to validate the gift:** This is correct. For immovable property, Section 123 of the TPA states that a gift must be effected by a registered instrument. The registration itself validates the transfer of title, and physical delivery of possession is not a pre-condition for the gift's validity.

- **(D) In so far as gift of an immovable property is concerned, registration is mandatory:** This is correct. Section 123 of the TPA and Section 17 of the Registration Act, 1908, make the registration of an instrument of gift of immovable property compulsory.

Step 4: Final Answer:
The incorrect statement is that a gift of existing and future property is valid in its entirety. The law holds such a gift to be void with respect to the future property.

Quick Tip

A key principle of property transfer is that you can only give what you currently have. Hence, a gift of "future property" (property you expect to own later) is legally void.

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90. Which of the following propositions is CORRECT about a Will:

(A) It is revocable, as no interest in the property is intended to pass during the lifetime of the testator.
(B) It is revocable, despite interest in the property being passed under the Will during the lifetime of the testator.
(C) It is revocable because registration is not mandatory.
(D) It is irrevocable because registration is not mandatory.

Correct Answer: (A) It is revocable, as no interest in the property is intended to pass during the lifetime of the testator.

Solution:

Step 1: Understanding the Question:
The question asks to identify the correct statement describing the fundamental nature of a Will.

Step 2: Detailed Explanation:
A Will (or testament) is a legal declaration of the intention of a testator with respect to his property, which he desires to be carried into effect after his death. Let's analyze the core characteristics:

- **Ambulatory Nature:** A Will is ambulatory, meaning it is not final and can be changed or revoked by the testator at any time during their life, as long as they are of sound mind.

- **Post-Mortem Effect:** A Will has no effect until the death of the testator. No interest in the property is transferred to the beneficiary during the testator's lifetime.

Now let's check the options:

- **(A) It is revocable, as no interest in the property is intended to pass during the lifetime of the testator:** This statement is perfectly correct. The revocable nature of a Will stems from the fact that it is not a transfer *inter vivos* (between living persons) and only takes effect upon death. Until then, it is merely a declaration of intent.

- **(B)** This is incorrect because the premise "interest in the property being passed... during the lifetime" is false for a Will.

- **(C)** The revocability of a Will is an inherent legal characteristic, not a consequence of whether it is registered or not. Even a registered Will can be revoked.

- **(D)** This is incorrect. A Will is fundamentally revocable.

Step 3: Final Answer:
The correct proposition is that a Will is revocable precisely because it is a testamentary disposition that transfers no interest until the testator's death.

Quick Tip

Remember the two defining features of a Will: it is always revocable by the testator during their lifetime, and it only speaks from the grave (i.e., takes effect after death).

Comprehension Passage (For Questions 91-95):
IX. "Mortgage inter alia means transfer of interest in the specific immovable property for the purpose of securing the money advanced by way of loan. Section 17(1)(c) of the Registration Act provides that a non-testamentary instrument which acknowledges the receipt or payment of any consideration on account of the creation, declaration, assignment, limitation or extension of any such right, title or interest, requires compulsory registration. Mortgage by deposit of title-deeds in terms of Section 58(f) of the Transfer of Property Act surely acknowledges the receipt and transfer of interest and, therefore, one may contend that its registration is compulsory.
However, Section 59 of the Transfer of Property Act mandates that every mortgage other than a mortgage by deposit of title-deeds can be effected only by a registered instrument. In the face of it, in our opinion, when the debtor deposits with the creditor title-deeds of the property for the purpose of security, it becomes mortgage in terms of Section 58(f) of the Transfer of Property Act and no registered instrument is required under Section 59 thereof as in other classes of mortgage.
The essence of mortgage by deposit of title-deeds is handing over by a borrower to the creditor title-deeds of immovable property with the intention that those documents shall constitute security, enabling the creditor to recover the money lent. After the deposit of the title-deeds the creditor and borrower may record the transaction in a memorandum but such a memorandum would not be an instrument of mortgage. A memorandum reducing other terms and conditions with regard to the deposit in the form of a document, however, shall require registration under Section 17(1)(c) of the Registration Act, but in a case in which such a document does not incorporate any term and condition, it is merely evidential and does not require registration."
tracted from: State of Haryana v Narvir Singh (2014) 1 SCC 105

91. Which of the following is NOT an essential of a mortgage under the Transfer of Property Act, 1882:

(A) It is a transfer of an interest in specific immovable property.
(B) It is for the purpose of securing the payment of money advanced or to be advanced by way of loan.
(C) It is always in respect of an existing debt.
(D) It is in respect of an existing or future debt, or the performance of an engagement which may give rise to a pecuniary liability.

Correct Answer: (C) It is always in respect of an existing debt.

Solution:

Step 1: Understanding the Question:
The question asks to identify which of the given options is not an essential element of a mortgage as defined under the Transfer of Property Act, 1882.

Step 2: Key Formula or Approach:
The definition and essentials of a mortgage are provided in Section 58(a) of the Transfer of Property Act, 1882.

Step 3: Detailed Explanation:
Section 58(a) defines a mortgage as "the transfer of an interest in specific immovable property for the purpose of securing the payment of money advanced or to be advanced by way of loan, an **existing or future debt**, or the performance of an engagement which may give rise to a pecuniary liability."
Let's analyze the options based on this definition:

- (A) This is a core essential of a mortgage.
- (B) This is also a core essential, describing the purpose of the mortgage.
- (D) This correctly states that a mortgage can secure an existing debt, a future debt, or the performance of an engagement leading to a pecuniary liability.
- (C) This statement claims that a mortgage is "always" for an existing debt. This is incorrect, as the definition explicitly includes "future debt." Therefore, this is NOT an essential of a mortgage.

Step 4: Final Answer:
The statement that a mortgage is always in respect of an existing debt is incorrect because a mortgage can also be created to secure a future debt.

Quick Tip

Remember that a mortgage is a versatile security instrument. It's not just for loans already taken but can also secure future advances or financial obligations. The phrase "existing or future debt" in Section 58(a) is key.

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92. A mortgage by deposit of title-deeds is a form of mortgage recognised by section 58(f) of the Transfer of Property Act, 1882, which provides that:

(A) When the debtor deposits with the creditor the title-deeds of his property with an intent to create a security, the law implies a contract between the parties to create a mortgage, and no registered instrument is required under section 59 of the Transfer of Property Act, as in other forms of mortgage.
(B) When the debtor deposits with the creditor the title-deeds of his property with an intent to create a security, the implication of law (that there exists a contract between the parties to create a mortgage) is excluded, and a registered instrument is required under section 59 of the Transfer of Property Act.
(C) When the debtor deposits with the creditor the title-deeds of his property with an intent to create a security, the implication of law (that there exists a contract between the parties to create a mortgage) is excluded, and a registered instrument is required under section 58(f) of the Transfer of Property Act.
(D) When the debtor deposits with the creditor the title-deeds of his property with an intent to create a security, the implication of law (that there exists a contract between the parties to create a mortgage) is excluded, and a registered instrument is required under section 17(1)(c) of the Registration Act.

Correct Answer: (A) When the debtor deposits with the creditor the title-deeds of his property with an intent to create a security, the law implies a contract between the parties to create a mortgage, and no registered instrument is required under section 59 of the Transfer of Property Act, as in other forms of mortgage.

Solution:

Step 1: Understanding the Question:
The question asks to identify the correct legal position regarding a mortgage by deposit of title-deeds as per the Transfer of Property Act.

Step 2: Detailed Explanation:
The provided passage from *State of Haryana v Narvir Singh* clearly explains the legal framework for this type of mortgage, also known as an equitable mortgage.

- The passage states: "The essence of mortgage by deposit of title-deeds is handing over by a borrower to the creditor title-deeds of immovable property with the intention that those documents shall constitute security..."

- It further clarifies the registration requirement by referencing Section 59: "...Section 59 of the Transfer of Property Act mandates that every mortgage **other than a mortgage by deposit of title-deeds** can be effected only by a registered instrument... no registered instrument is required under Section 59 thereof as in other classes of mortgage."

This means that the act of depositing title deeds with the intent to create security is sufficient to create the mortgage, and it is a specific exception to the general rule requiring a registered instrument. The law implies a contract of mortgage from this act. Option (A) perfectly encapsulates this legal position. The other options incorrectly state that a registered instrument is required or that the implication of law is excluded.

Step 3: Final Answer:
A mortgage by deposit of title-deeds is created by the act of depositing the deeds with intent to secure a debt, and unlike other mortgages, it does not require a registered instrument.

Quick Tip

Remember that a mortgage by deposit of title-deeds is the only type of mortgage that can be created without a written and registered instrument. Its validity comes from the physical act of depositing the documents with the required intention.

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93. As per section 96 of the Transfer of Property Act, the provisions which apply to _____ shall, so far as may be, apply to a mortgage by deposit of title-deeds.

(A) A simple mortgage.
(B) A mortgage by conditional sale.
(C) A usufructuary mortgage.
(D) An English mortgage.

Correct Answer: (A) A simple mortgage.

Solution:

Step 1: Understanding the Question:
This is a direct question asking which type of mortgage's legal provisions are applied to a mortgage by deposit of title-deeds, according to Section 96 of the Transfer of Property Act.

Step 2: Key Formula or Approach:
The answer is found by directly referencing the text of Section 96 of the Transfer of Property Act, 1882.

Step 3: Detailed Explanation:
Section 96 of the Transfer of Property Act, 1882, is titled "Mortgage by deposit of title-deeds". The section states:

"The provisions hereinbefore contained which apply to a **simple mortgage** shall, so far as may be, apply to a mortgage by deposit of title-deeds."
This means that for matters like the rights and liabilities of the parties, the procedure for foreclosure or sale, etc., a mortgage by deposit of title-deeds is treated similarly to a simple mortgage. In a simple mortgage, the mortgagee has the right to cause the mortgaged property to be sold in the event of non-payment, which is the primary remedy available in a mortgage by deposit of title-deeds as well.

Step 4: Final Answer:
The provisions applicable to a **simple mortgage** also apply to a mortgage by deposit of title-deeds.

Quick Tip

For legal exams, it's crucial to remember key cross-referencing sections like Section 96, which links the rules of a simple mortgage to a mortgage by deposit of title-deeds. This connection determines the remedies available to the lender.

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94. The period of limitation for a suit to enforce payment of money secured by a mortgage or otherwise charged upon immovable property is:

(A) 30 years.
(B) 12 years.
(C) 20 years.
(D) 3 years.

Correct Answer: (B) 12 years.

Solution:

Step 1: Understanding the Question:
The question asks for the statutory time limit (period of limitation) for filing a lawsuit to recover money that is secured by a mortgage on immovable property.

Step 2: Key Formula or Approach:
The answer is found in the Schedule to the Limitation Act, 1963. Specifically, we need to refer to the article governing suits related to mortgages.

Step 3: Detailed Explanation:
Article 62 of the Schedule to the Limitation Act, 1963, provides the limitation period for such suits.

- **Description of suit:** To enforce payment of money secured by a mortgage or otherwise charged upon immovable property.

- **Period of limitation: Twelve years**.
- **Time from which period begins to run:** When the money sued for becomes due.

The 30-year period mentioned in option (A) typically relates to a suit for foreclosure by a mortgagee (Article 63(a)) or for redemption of a mortgage by a mortgagor. The 3-year period is generally for simple money suits not based on a mortgage.

Step 4: Final Answer:
The period of limitation for a suit to enforce payment of money secured by a mortgage is **12 years**.

Quick Tip

Remember the key mortgage limitation periods: 12 years for the lender to enforce payment (sale), and 30 years for the lender to foreclose or for the borrower to redeem the property.

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95. In a mortgage by deposit of title-deeds, after the deposit of the title-deeds, if the creditor and the borrower choose to record their transaction in a memorandum reducing other terms and conditions (in addition to what flow from the mortgage by deposit of title-deeds) with regard to the deposit in the form of a memorandum/document, then the memorandum/document requires registration under section 17(1)(c) of the Registration Act. In this context which among the following propositions is not correct?

(A) The deposit and the document both form integral parts of the transaction and are essential ingredients in the creation of the mortgage.
(B) The deposit alone is not intended to create the charge and the document, which constitutes the bargain regarding the security, is also necessary and operates to create the charge in conjunction with the deposit.
(C) The implication of law (that there exists a contract between the parties to create a mortgage) is excluded by their express bargain, and the document becomes the sole evidence of its terms.
(D) The deposit and the documents do not form integral parts of the transaction and hence they are not essential ingredients in the creation of the mortgage.

Correct Answer: (D) The deposit and the documents do not form integral parts of the transaction and hence they are not essential ingredients in the creation of the mortgage.

Solution:

Step 1: Understanding the Question:
The question sets up a specific scenario: a mortgage by deposit of title-deeds is followed by

a written memorandum that contains the terms and conditions of the bargain. This memorandum, as per the passage and the question, requires registration. The question asks which statement is INCORRECT in this specific scenario.

Step 2: Detailed Explanation:
The passage distinguishes between a simple memorandum that merely records the deposit (which doesn't need registration) and a memorandum that contains the terms and conditions of the loan (which does need registration). The question deals with the second type. When the parties reduce their bargain to writing in a document that requires registration, that document becomes the constitutive instrument of the mortgage, not just an evidence of it.

- **(A), (B), and (C):** These statements correctly describe the legal effect when the bargain is reduced to writing. The written document becomes an integral part of the transaction (A), the charge is created by both the deposit and the document (B), and this express written contract overrides the simple contract implied by law (C). The document becomes the primary evidence of the mortgage.
- **(D):** This statement claims that the deposit and the document are NOT integral parts and NOT essential ingredients. This is the direct opposite of the legal position described in (A), (B), and (C). In the scenario where the memorandum contains the bargain and requires registration, it becomes an essential and integral part of creating the mortgage. Therefore, this statement is incorrect.

Step 3: Final Answer:
Since the memorandum contains the actual terms of the mortgage and requires registration, it is an essential ingredient. The proposition that it is not an essential ingredient is therefore incorrect.

Quick Tip

If a document related to an equitable mortgage just says "I have deposited the title deeds," it doesn't need registration. But if it says "I have deposited the title deeds for a loan of Rs. X at Y% interest repayable in Z months...", it contains the bargain and must be registered.

Comprehension Passage (For Questions 96-100):
XX. Having heard the learned Counsels for the parties, and on perusal of the material on record, the primary issue which arises for consideration of this Court is "whether a review or recall of an order passed in a criminal proceeding initiated under section 340 of CrPC is permissible or not?" [...] A careful consideration of the statutory provisions and the aforesaid decisions of this Court clarify the now-well settled position of jurisprudence of Section 362 of CrPC which when summarized would be that the criminal courts, as envisaged under the CrPC, are barred from altering or reviewing in their own judgments except for the exceptions which are explicitly provided by the statute, namely, correction of a clerical or an

arithmetical error that might have been committed or the said power is provided under any other law for the time being in force. As the courts become functus officio the very moment a judgment or an order is signed, the bar of Section 362 CrPC becomes applicable. Despite the powers provided under Section 482 CrPC which, this veil cannot allow the courts to step beyond or circumvent an explicit bar. It also stands clarified that it is only in situations wherein an application for recall of an order or judgment seeking a procedural review that the bar would not apply and not a substantive review where the bar as contained in Section 362 CrPC is attracted. Numerous decisions of this Court have also elaborated that the bar under said provision is to be applied stricto sensu.
(Extracted with edits and revisions from Vikram Bakshi v. RP Khosla 2025 INSC 1020)

96. As per section 362 of Cr. P.C.(equivalent to section 403 of BNSS 2023), a criminal court has power to review or alter its own judgment or order only under the following circumstances.

(A) If there is an error as to the question of fact.
(B) If there is an error as to the question of law.
(C) If there is/are clerical and arithmetical errors.
(D) If the judgment or order is rendered per in curium.

Correct Answer: (C) If there is/are clerical and arithmetical errors.

Solution:

Step 1: Understanding the Question:
The question asks to identify the specific exception mentioned in Section 362 of the Cr.P.C. that allows a criminal court to alter its own judgment.

Step 2: Detailed Explanation:
The provided passage directly answers this question. It summarizes the law under Section 362 Cr.P.C. and states: "...the criminal courts... are barred from altering or reviewing in their own judgments **except for the exceptions which are explicitly provided by the statute, namely, correction of a clerical or an arithmetical error**...".
Section 362 of the Code of Criminal Procedure, 1973, itself reads: "Save as otherwise provided by this Code or by any other law for the time being in force, no Court, when it has signed its judgment or final order disposing of a case, shall alter or review the same except to correct a clerical or arithmetical error."
Options (A), (B), and (D) represent errors of substance (fact, law, or overlooking a binding precedent), which fall under the category of substantive review. Section 362 explicitly bars such reviews and only permits the correction of minor, accidental slips, i.e., clerical and arithmetical errors.

Step 3: Final Answer:
The only circumstance explicitly mentioned in Section 362 Cr.P.C. for altering a judgment is

to correct **clerical and arithmetical errors**.

Quick Tip

Remember that Section 362 Cr.P.C. imposes a strict bar on review in criminal cases. The only exception written into the section itself is for correcting typos and calculation mistakes, not for re-arguing the case.

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97. The bench in this case referred to a distinction drawn previously in Grindlays Bank case, that of procedural review and substantive review by criminal courts. Which of the following statements most accurately captures the distinction between the two decisions?

(A) A procedural review is exercised when a higher court finds an error in interpretation, while a substantive review is limited to correcting factual inaccuracies within the same court.
(B) A procedural review is available only in appellate courts, whereas a substantive review may be conducted by the original court that issued in court
(C) A procedural review is inherent or implied in a court to set aside a palpably erroneous order passed under misapprehension by it. However, a substantive review is when error sought to be corrected is one of law and is apparent on the face of the record.
(D) A procedural review involves correcting errors of judgement made after hearing the parties while a substantive review is confined to omissions in recording of legal reasoning.

Correct Answer: (C) A procedural review is inherent or implied in a court to set aside a palpably erroneous order passed under misapprehension by it. However, a substantive review is when error sought to be corrected is one of law and is apparent on the face of the record.

Solution:

Step 1: Understanding the Question:
The question asks for the correct distinction between "procedural review" and "substantive review" in the context of criminal courts' power to recall their orders.

Step 2: Detailed Explanation:
The passage states that the bar under Section 362 CrPC does not apply to a "procedural review" but does apply to a "substantive review".

- **Procedural Review:** This refers to the power of a court to recall an order that was passed due to a procedural defect, mistake, or in violation of the principles of natural justice. Examples include an order passed against a party who was not served with notice, or an order passed under a clear misapprehension of facts (e.g., believing a party was absent when they were present). This power is considered inherent in the court to correct its own procedural mistakes.

- **Substantive Review:** This involves a re-examination of the merits of the case, either on facts or on law. It means the court is asked to change its mind about the conclusion it reached after a full hearing. This is what Section 362 strictly prohibits.

Let's analyze the options:

- (A) and (B) are incorrect descriptions of the distinction and the courts where they apply.
- (C) accurately captures this difference. It correctly identifies procedural review as an inherent power to correct orders passed under misapprehension and substantive review as dealing with errors of law on the merits, which is barred.
- (D) provides a confusing and inaccurate distinction.

Step 3: Final Answer:
The distinction lies in the nature of the error. Procedural review corrects errors in the process of reaching a decision, while substantive review seeks to correct the decision itself. Option (C) best describes this.

Quick Tip

Think of it this way: Procedural Review is about "Did we follow the rules to get to the decision?" while Substantive Review is about "Was the decision itself right or wrong?". Criminal courts can only do the former, not the latter.

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98. According to the Supreme Court's analysis, under which principle did the High Court claim to recall its Judgment, even though the Supreme Court ultimately rejected this basis?

(A) Ex debito justitiae, to correct a factual error not brought to its notice earlier.
(B) Inherent power under Section 482 of the CrPC to prevent the abuse of the process of any Court.
(C) The power of a criminal court to conduct a "substantive review" on the merits of the case.
(D) The binding nature of the Supreme Court's earlier Judgment which mandated a decision on the perjury application.

Correct Answer: (B) Inherent power under Section 482 of the CrPC to prevent the abuse of the process of any Court.

Solution:

Step 1: Understanding the Question:
The question asks about the legal power or principle that the High Court likely invoked to justify recalling its own judgment, a power the Supreme Court later found to be impermissible.

Step 2: Detailed Explanation:
The passage provides a strong clue. It states: "**Despite the powers provided under Section 482 CrPC which, this veil cannot allow the courts to step beyond or circumvent an explicit bar.**" This indicates that the argument for review was likely based on the inherent powers of the High Court under Section 482 Cr.P.C. This section grants High Courts inherent power to make orders necessary to prevent the abuse of the process of any court or to secure the ends of justice. Litigants often invoke this section to seek recall of orders, arguing that the order's continuance would amount to an abuse of process. The Supreme Court's observation clarifies that this inherent power, though wide, cannot be used to override the specific and explicit bar against substantive review contained in Section 362.

Step 3: Final Answer:
The High Court would have claimed its **inherent power under Section 482 of the CrPC** to justify its action, a justification the Supreme Court rejected as being constrained by the bar in Section 362.

Quick Tip

Section 482 Cr.P.C. is the reservoir of the High Court's inherent power in criminal matters. It is often invoked for remedies not explicitly provided for, but as the Supreme Court repeatedly holds, it cannot be used to bypass an express statutory prohibition like Section 362.

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99. The court identified certain exceptional circumstances wherein the criminal court is empowered to alter or review its own judgement or a final order under Section 362 (CrPC). Which of the following is NOT one among them:

(A) Such power is expressly conferred upon court by law
(B) The court passing such a judgement or order lacked inherent jurisdiction to do so
(C) Fact relating to non-serving of necessary party being non-represented, not brought to notice of court while passing such judgment or order
(D) A subsequent judicial precedent renders the earlier judgment legally untenable

Correct Answer: (D) A subsequent judicial precedent renders the earlier judgment legally untenable

Solution:

Step 1: Understanding the Question:
The question asks to identify which of the given options is NOT a valid exception to the general bar on review under Section 362 Cr.P.C.

Step 2: Detailed Explanation:
Jurisprudence has carved out very narrow exceptions to the absolute bar in Section 362. These

are generally limited to procedural and jurisdictional errors. Let's analyze the options:

- **(A) Such power is expressly conferred upon court by law:** This is an explicit exception mentioned in Section 362 itself ("Save as otherwise provided by this Code or by any other law..."). An example is correcting clerical errors. So, this IS an exception.
- **(B) The court passing such a judgement or order lacked inherent jurisdiction:** An order passed by a court without jurisdiction is a nullity (*coram non judice*). The court has the power to recall such a void order. This IS a recognized exception.
- **(C) Fact relating to non-serving of necessary party being non-represented...:** This is a classic example of a violation of the principles of natural justice (*audi alteram partem*). An order passed without hearing a necessary party is procedurally flawed, and the court can recall it. This IS a recognized exception (procedural review).
- **(D) A subsequent judicial precedent renders the earlier judgment legally untenable:** This would require the court to re-examine the merits of its decision based on a later change or clarification in the law. This is a substantive review of a perceived legal error. This is precisely what Section 362 prohibits. A final judgment cannot be reopened simply because the law is later interpreted differently by a higher court.

Step 3: Final Answer:
A court cannot review its final judgment because a subsequent precedent has changed the legal landscape. This is not a valid exception to the bar under Section 362 Cr.P.C.

Quick Tip

Exceptions to Section 362 Cr.P.C. are about fundamental flaws in the order (void for lack of jurisdiction) or the process (violation of natural justice), not about the correctness of the legal reasoning on the merits.

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100. In relation to exceptional circumstances identified by the court under which the embargo on criminal courts to review or alter their judgement or final order after signing under Section 362 (CrPC) would not apply, which of the following statements is correct?
I. The exceptions are exercisable only if a ground that is raised was not available or existent at the time of original proceedings before the Court
II. The said power cannot be invoked as a means to circumvent the finality of the judicial process or mistakes and/or errors in the decision which are attributable to a conscious omission by the parties.
Select the most appropriate option:

(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Both I and II are incorrect

Correct Answer: (B) Only II is correct

Solution:

Step 1: Understanding the Question:
The question presents two statements about the conditions for using the exceptional power to recall a criminal judgment and asks which statement(s) is/are correct.

Step 2: Detailed Explanation:
Let's analyze each statement:

- **Statement I:** "The exceptions are exercisable only if a ground that is raised was not available or existent at the time of original proceedings before the Court". This is incorrect. The main grounds for recall, like lack of jurisdiction or non-service of a party, are defects that *did exist* at the time of the original proceedings. The very problem is that the court passed an order despite an existing jurisdictional defect or a procedural violation. This statement reflects a condition for review in civil cases (discovery of new and important matter), which is not applicable here.
- **Statement II:** "The said power cannot be invoked as a means to circumvent the finality of the judicial process or mistakes and/or errors in the decision which are attributable to a conscious omission by the parties." This statement is correct. The power to recall is not a back door for an appeal or a chance to re-argue points that were, or could have been, argued. It is meant to correct fundamental errors that vitiate the proceedings, not to save parties from their own negligence or to correct errors of judgment made after a full hearing. The finality of judgments (*functus officio*) is a core principle that these narrow exceptions do not seek to undermine wholesale.

Step 3: Final Answer:
Statement I is incorrect, and Statement II is correct. Therefore, the correct option is (B).

Quick Tip

The power to recall a criminal judgment is a shield against grave injustice from procedural or jurisdictional errors, not a sword for parties to re-litigate a case they lost on merits.

Comprehension Passage (For Questions 101-105):
XXI. A glance over all the Sections related to extortion would reveal a clear distinction being carried out between the actual commission of extortion and the process of putting a person in fear for the purpose of committing extortion. Section 383 defines extortion, the punishment therefor is given in Section 384. Sections 386 and 388 provide for an aggravated form of extortion. These sections deal with the actual commission of an act of extortion, whereas Sections 385, 387 and 389 IPC seek to punish for an act committed for the purpose of extortion even though the act of extortion may not be complete and property not delivered. It is in the process of committing an offence that a person is put in fear of injury, death or

grievous hurt. Section 387 IPC provides for a stage prior to committing extortion, which is putting a person in fear of death or grievous hurt 'in order to commit extortion', similar to Section 385 IPC. Hence, Section 387 IPC is an aggravated form of 385 IPC, not 384 IPC. Having deliberated upon the offence of extortion and its forms, we proceed to analyze the essentials of both Sections, i.e.,383 and 387 IPC, the High Court dealt with.
(Extracted from Balaji Traders v. State of UP, 2025 INSC 806)

101. According to the Supreme Court's analysis in the judgment, Section 387 of the Indian Penal Code (IPC) deals with:

(A) The actual commission of the act of extortion by putting a person in fear of death or grievous hurt.
(B) The punishment for a completed act of extortion by putting a person in fear of death or grievous hurt.
(C) The process or stage prior to committing extortion, specifically putting or attempting to put a person in fear of death or grievous hurt in order to commit extortion.
(D) A lesser, non-aggravated form of extortion defined in Section 383 IPC.

Correct Answer: (C) The process or stage prior to committing extortion, specifically putting or attempting to put a person in fear of death or grievous hurt in order to commit extortion.

Solution:

Step 1: Understanding the Question:
The question asks what Section 387 of the IPC deals with, based on the analysis provided in the comprehension passage.

Step 2: Detailed Explanation:
The passage draws a clear distinction between sections dealing with the completed act of extortion and sections dealing with the preparatory acts. It explicitly states:

- "...whereas Sections 385, 387 and 389 IPC seek to punish for an act committed for the purpose of extortion even though the act of extortion may not be complete and property not delivered."

- "Section 387 IPC provides for a **stage prior to committing extortion**, which is putting a person in fear of death or grievous hurt 'in order to commit extortion'..."

This directly corresponds to option (C). Options (A) and (B) describe a completed act of extortion, which the passage attributes to other sections like 384, 386, and 388. Option (D) is incorrect as the passage identifies S. 387 as an aggravated form of S. 385, not a lesser form of S. 383.

Step 3: Final Answer:
Based on the direct statements in the passage, Section 387 IPC deals with the process or stage

prior to the commission of extortion.

Quick Tip

In comprehension-based questions, locate the exact keywords from the question (like "Section 387") in the passage to find the precise sentence that provides the answer.

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102. The core difference between Section 383/384 IPC (Extortion/Punishment) and Section 387 IPC (Putting person in fear of death or grievous hurt, in order to commit extortion), as established by the Supreme Court, is that:

(A) Section 387 IPC requires the use of firearms, whereas Section 383/384 IPC does not.
(B) Section 383/384 IPC deals with the actual commission of extortion and requires delivery of property, while Section 387 IPC deals with the process (putting a person in fear) and does not require the delivery of property.
(C) Section 383/384 IPC is an aggravated form of Section 387 IPC.
(D) Section 387 IPC involves only an attempt, while Section 383/384 IPC involves a completed offence.

Correct Answer: (B) Section 383/384 IPC deals with the actual commission of extortion and requires delivery of property, while Section 387 IPC deals with the process (putting a person in fear) and does not require the delivery of property.

Solution:

Step 1: Understanding the Question:
The question asks to identify the key difference between the offence of extortion (S. 383/384) and the offence under S. 387, as explained in the passage.

Step 2: Detailed Explanation:
The passage highlights this difference throughout.

- It says Sections 383, 384, 386, and 388 "deal with the **actual commission of an act of extortion**". The definition of extortion in S. 383 requires dishonestly inducing the delivery of property.
- In contrast, it says Sections 385, 387, and 389 punish an act "even though the act of extortion may not be complete and **property not delivered**."
- Therefore, the core difference is that S. 383/384 requires the completed offence, including delivery of property, while S. 387 punishes the preparatory act of putting in fear, regardless of whether property is delivered.

This distinction is perfectly captured in option (B). Option (D) uses the word 'attempt', which is a specific legal term, while the passage describes it as a 'stage prior' or 'process'. Option

(B) is a more accurate summary of the passage's explanation. Option (C) is incorrect; S. 387 is an aggravated form of putting in fear (S. 385), not the other way around. Option (A) is not mentioned in the passage.

Step 3: Final Answer:
The fundamental distinction is between the completed offence requiring delivery of property (S. 383/384) and the preparatory offence that does not (S. 387).

Quick Tip

Remember the distinction: Extortion (S. 383) is complete only when property is delivered. S. 387 punishes the act of creating fear of death/grievous hurt for extortion, even if the victim doesn't give anything.

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103. What is the minimum essential ingredient that the Supreme Court found prima facie disclosed in the complaint for an offence under Section 387 IPC?

(A) The transfer of at least Rs. 5 lakhs from the complainant to the accused.
(B) The use of rifles, a specific type of weapon.
(C) Putting the complainant in fear of death or grievous hurt in order to commit extortion, such as by pointing a gun and demanding Rs. 5 lakhs per month.
(D) The existence of pending litigation regarding Trademark and Copyright claims.

Correct Answer: (C) Putting the complainant in fear of death or grievous hurt in order to commit extortion, such as by pointing a gun and demanding Rs. 5 lakhs per month.

Solution:

Step 1: Understanding the Question:
The question asks to identify the core ingredient of an offence under Section 387 IPC, which the court would look for in a complaint to establish a prima facie case.

Step 2: Detailed Explanation:
The passage itself defines the offence under Section 387: "...putting a person in fear of death or grievous hurt 'in order to commit extortion'...". This is the essential ingredient, or *actus reus* and *mens rea* combined.
Let's analyze the options:

- **(A) The transfer of at least Rs. 5 lakhs...:** This is incorrect. As established, Section 387 does not require the delivery of property.
- **(B) The use of rifles...:** While pointing a gun can be the means to put someone in fear, the use of a specific weapon is evidence, not the legal ingredient itself. The ingredient is the creation of fear of death or grievous hurt.

- **(C) Putting the complainant in fear of death or grievous hurt...:** This option perfectly describes the essential legal ingredient of the offence as explained in the passage and the section itself. The examples given (pointing a gun, demanding money) are classic illustrations of how this offence is committed.
- **(D) The existence of pending litigation...:** This might be the motive or background of the dispute, but it is not an ingredient of the criminal offence of extortion under S. 387.

Step 3: Final Answer:
The minimum essential ingredient for a prima facie case under Section 387 IPC is the act of putting a person in fear of death or grievous hurt with the intention of committing extortion.

Quick Tip

To identify the essential ingredient of a crime, break down its definition. For S. 387, it's: (1) Putting a person in fear of death/grievous hurt + (2) The intent to commit extortion.

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104. The Supreme Court cites which of the following as a well-settled principle of law regarding the interpretation of penal statutes?

(A) Penal statutes must be given a wide and flexible interpretation to cover all intended mischief.
(B) Courts are competent to stretch the meaning of an expression used by the Legislature to carry out the intention of the Legislature.
(C) If two possible and reasonable constructions can be put upon a penal provision, the Court must lean towards the construction that imposes the maximum penalty.
(D) If two possible and reasonable constructions can be put upon a penal provision, the Court must lean towards that construction which exempts the subject from penalty rather than the one which imposes penalty.

Correct Answer: (D) If two possible and reasonable constructions can be put upon a penal provision, the Court must lean towards that construction which exempts the subject from penalty rather than the one which imposes penalty.

Solution:

Step 1: Understanding the Question:
This is a general legal knowledge question asking for the established rule of interpretation for penal (criminal) statutes.

Step 2: Detailed Explanation:
The cardinal rule for interpreting penal statutes is the "rule of strict construction." This rule has several facets, but a primary one is the principle of lenity. It means that if a penal provision is ambiguous and can be interpreted in two reasonable ways, the court must adopt the

interpretation that is more favorable to the accused.
Let's evaluate the options:

- **(A) and (B):** These describe a liberal or purposive construction, which is generally applied to social welfare legislation, not penal statutes. Penal statutes are construed strictly.
- **(C):** This is the opposite of the correct principle. The court would never lean towards the maximum penalty in case of ambiguity.
- **(D):** This statement accurately describes the rule of strict construction in favor of the accused. If there is ambiguity, the benefit of the doubt in interpretation goes to the subject, favoring a construction that avoids the penalty.

Step 3: Final Answer:
The well-settled principle is that penal statutes must be strictly construed, and if two reasonable interpretations are possible, the one more lenient to the accused must be preferred.

Quick Tip

Remember the maxim: "In criminalibus, probationes debent esse luce clariores" (In criminal cases, the proofs must be clearer than light). This spirit extends to statutory interpretation, where any ambiguity is resolved in favor of the accused.

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105. The Supreme Court's final decision on the appeal filed by M/s. Balaji Traders was to:

(A) Dismiss the appeal and uphold the High Court's quashing order.
(B) Dismiss the appeal but modify the charge to Section 384 IPC.
(C) Allow the appeal, set aside the High Court's order, and restore the proceedings of Complaint case to the file of the Trial Court.
(D) Allow the appeal and transfer the case to the High Court for a fresh hearing on merits.

Correct Answer: (C) Allow the appeal, set aside the High Court's order, and restore the proceedings of Complaint case to the file of the Trial Court.

Solution:

Step 1: Understanding the Question:
The question asks for the final outcome of the case discussed in the passage.

Step 2: Detailed Explanation:
While the final order is not reproduced in the extract, we can infer the logical conclusion from the court's reasoning. The passage shows the Supreme Court conducting a detailed analysis to distinguish between different sections of extortion and clarifying the ingredients of Section 387. The last sentence says, "we proceed to analyze the essentials of both Sections, i.e., 383 and 387

IPC, the High Court dealt with." This implies that the Supreme Court found that the High Court had erred in its analysis, likely by quashing the proceedings. When the Supreme Court finds that a High Court has wrongly quashed a criminal complaint where a prima facie case exists, the standard procedure is to set aside the High Court's order and allow the trial to proceed.

- **(A) and (B):** Dismissing the appeal would mean the Supreme Court agreed with the High Court, which contradicts the corrective tone of the analysis.
- **(C):** This is the most logical outcome. By allowing the appeal and setting aside the quashing order, the Supreme Court would be correcting the High Court's error and ensuring that the complaint is tried on its merits, as a prima facie case was made out.
- **(D):** Transferring for a fresh hearing is less likely than simply restoring the original trial court proceedings.

Step 3: Final Answer:
Given the detailed analysis establishing the applicability of Section 387, the most probable decision of the Supreme Court was to allow the appeal and restore the trial court proceedings.

Quick Tip

When an appellate court's judgment provides a detailed legal analysis that corrects the lower court's reasoning on whether a prima facie case is made out, the typical result is to set aside the lower court's order and direct the case to proceed for trial.

Comprehension Passage (For Questions 106-107):
XXII. The reference essentially raises the following issue: whether a child who is conferred with legislative legitimacy under Section 16(1) or 16(2) is, by reason of Section 16(3), entitled to the ancestral/coparcenary property of the parents or is the child merely entitled to the self-earned/separate property of the parents. ... Holding that the consequence of legitimacy under sub-sections (1) or (2) of Section 16 is to place such an individual on an equal footing as a coparcener in the coparcenary would be contrary to the plain intendment of sub-section (3) of Section 16 of the HMA 1955 which recognises rights to or in the property only of the parents. In fact, the use of language in the negative by Section 16(3) places the position beyond the pale of doubt. We would therefore have to hold that when an individual falls within the protective ambit of sub-section (1) or sub-section (2) of Section 16, they would be entitled to rights in or to the absolute property of the parents and no other person.
(Extracted with edits and revisions from Revanasiddappa&Anr v. Mallikarjun 2023 INSC 783)

106. When a Hindu Mitakshara coparcener, who has a child legitimised under section 16 of Hindu Marriage Act 1955, dies intestate, after the 2005 Amendment

of the Hindu Succession Act, 1956, what is the legal mechanism that determines the child's share in the parent's interest in the coparcenary property?

(A) The Child becomes a coparcener by birth, and the entire coparcenary property is divided equally amongst all the coparceners.
(B) The parent's interest devolves by traditional rule of survivorship, and the section 16 child receives no share
(C) The parent's interest is first determined through a notional partition immediately before death under section 6 (3) of Hindu Succession Act 1956 and this determined share then devolves by intestate succession to all the deceased's children (including the section 16 child) under section 8/10 of Hindu Succession Act 1956.
(D) The share of section 16 child is limited to receiving maintenance from the joint family estate.

Correct Answer: (C) The parent's interest is first determined through a notional partition immediately before death under section 6 (3) of Hindu Succession Act 1956 and this determined share then devolves by intestate succession to all the deceased's children (including the section 16 child) under section 8/10 of Hindu Succession Act 1956.

Solution:

Step 1: Understanding the Question:
The question asks for the process by which a child legitimized under Section 16 HMA can inherit a share in their parent's interest in a Mitakshara coparcenary property when the parent dies without a will after 2005.

Step 2: Detailed Explanation:
The passage establishes that a Section 16 child has rights only in the "property of the parents," not in the coparcenary property as a whole. This means they are not coparceners by birth. So, how do they inherit? The mechanism is provided by the Hindu Succession Act, 1956.

- **Notional Partition:** When a male Hindu coparcener dies intestate, Section 6(3) of the Hindu Succession Act mandates a "notional partition." This means a partition is deemed to have taken place immediately before his death to ascertain his specific share in the coparcenary property.
- **Devolution of Share:** This ascertained share is then treated as his separate property.
- **Intestate Succession:** This separate property then devolves according to the rules of intestate succession under Section 8 of the Act to his Class I heirs, which includes all his children (legitimate, adopted, and those legitimized under Section 16 HMA).

This entire process is described perfectly in option (C). Option (A) is wrong because the passage states the child is not a coparcener. Option (B) is wrong because the rule of survivorship has been largely abrogated by the 2005 amendment in favor of succession. Option (D) is incorrect as the child is entitled to a share in the parent's property, not just maintenance.

Step 3: Final Answer:
The legal mechanism involves a notional partition to crystallize the parent's share, which then

devolves by intestate succession to all heirs, including the Section 16 child.

Quick Tip

Remember the two-step process for a Section 16 child's inheritance from a coparcenary: 1. Notional Partition to separate the parent's share. 2. Intestate Succession of that separated share.

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107. From the decisions rendered by the Supreme Court on this issue, which of the following correctly states the legal position of a child conferred with legitimacy under section 16 of Hindu Marriage Act

(A) Such a child is a coparcener
(B) Such a child is not a coparcener
(C) Such a child is a coparcener, and has the power to seek partition of coparcenary property
(D) Such a child is a coparcener, but does not have the power to seek partition of coparcenary property

Correct Answer: (B) Such a child is not a coparcener

Solution:

Step 1: Understanding the Question:
The question asks for the correct legal status of a child legitimized under Section 16 HMA, specifically whether they are a coparcener or not.

Step 2: Detailed Explanation:
The passage from the Supreme Court's judgment in *Revanasiddappa v. Mallikarjun* is explicit on this point. It holds that:
"Holding that the consequence of legitimacy under sub-sections (1) or (2) of Section 16 is to place such an individual on an equal footing as a **coparcener in the coparcenary would be contrary to the plain intendment of sub-section (3) of Section 16**...".
This is a direct and unambiguous statement that a child legitimized under Section 16 is NOT a coparcener. Their rights are limited to the property of their parents only. Therefore, options (A), (C), and (D), all of which claim the child is a coparcener, are incorrect. Option (B) accurately reflects the legal position as clarified by the Supreme Court.

Step 3: Final Answer:
The Supreme Court has clearly held that a child conferred with legitimacy under Section 16 of the Hindu Marriage Act is **not a coparcener**.

Quick Tip

The key takeaway from the *Revanasiddappa* judgment is that Section 16 HMA confers legitimacy and inheritance rights in the parent's property, but it does not confer the status of a coparcener by birth.

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108. Consider the following statements:
I. A child born out of a null and void marriage is considered as legitimate by law
II. Conferment of legitimacy is irrespective of whether such child was born before or after the commencement of the Amending Act 1976
Select the most appropriate option:

(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Both I and II are incorrect

Correct Answer: (C) Both I and II are correct

Solution:

Step 1: Understanding the Question:
The question asks to evaluate two statements concerning the legal legitimacy of children born from void marriages under Hindu Law.

Step 2: Key Formula or Approach:
The answer lies in Section 16 of the Hindu Marriage Act, 1955, and the effect of the Marriage Laws (Amendment) Act, 1976.

Step 3: Detailed Explanation:

- **Statement I:** Section 16(1) of the Hindu Marriage Act, 1955, explicitly states that any child born of a marriage which is null and void under Section 11 shall be deemed to be legitimate. This legislative provision grants legitimacy to such children for the purpose of inheriting their parents' property. Therefore, Statement I is correct.

- **Statement II:** The original Section 16 only protected children of voidable marriages. The Marriage Laws (Amendment) Act, 1976, substituted the old section with the new Section 16, which extended this protection to children of void marriages as well. The Supreme Court has interpreted this amendment to have retrospective effect, meaning it applies to children born even before the 1976 amendment came into force. Therefore, the conferment of legitimacy is irrespective of the child's date of birth relative to the 1976 amendment. Statement II is also correct.

Step 4: Final Answer:
Since both statements I and II are legally correct, the most appropriate option is (C).

Quick Tip

Section 16 of the Hindu Marriage Act is a benevolent provision. Remember that it grants legitimacy to children of both void and voidable marriages, and this protection applies retrospectively.

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109. Which of the following statements is correct in relation to the property rights of children from void/voidable marriages

(A) Such a child can ask for partition of coparcenary property
(B) Such a child can claim share in their own right in the undivided coparcenary property of his parents
(C) Such a child has rights only to self-acquired property of his parents
(D) Such a child cannot ask for partition of coparcenary property

Correct Answer: (D) Such a child cannot ask for partition of coparcenary property

Solution:

Step 1: Understanding the Question:
The question asks to identify the correct statement regarding the property rights of children legitimized under Section 16 of the Hindu Marriage Act.

Step 2: Detailed Explanation:
The Supreme Court's decision in *Revanasiddappa v. Mallikarjun (2023)*, as referenced in the preceding comprehension passage, clarified this issue. The court held that such children are not coparceners by birth. Their rights are limited to the property of their parents.
Let's analyze the options based on this:

- **(A) (B):** The right to ask for partition and the right to claim a share in undivided coparcenary property are rights that belong to a coparcener. Since the Supreme Court has held that these children are not coparceners, these statements are incorrect.

- **(C):** This is incorrect because the child's right extends to the "property of his parents," which includes not only their self-acquired property but also their interest in the ancestral property (which is determined by a notional partition upon the parent's death). Stating they have rights *only* in self-acquired property is too restrictive.

- **(D):** This statement is correct. As the child is not a coparcener, they do not possess the right to demand a partition of the joint family's coparcenary property during the lifetime

of their parents or other coparceners. They can only inherit their parent's share after the parent's death.

Step 3: Final Answer:
A child legitimized under Section 16 HMA is not a coparcener and therefore cannot demand a partition of the coparcenary property.

Quick Tip

Remember the distinction: A legitimized child under Section 16 is an 'heir' to their parent's property, not a 'coparcener' in the joint family property. Heirs inherit, while coparceners have a right by birth.

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110. Which of the following best summarises the conclusion reached by the Supreme Court regarding children conferred with legitimacy under Section 16 under the Hindu Marriage Act?

(A) Such children are entitled to coparcenary rights in the ancestral property to their parents, equal to children born within a valid marriage
(B) Such children are entitled only to the self-acquired or separate property of their parents, and not to ancestral/coparcenary property
(C) Such children are entitled to inherit property only if no legitimate heirs exist from a valid marriage
(D) Such children have no rights in any property of the parents, whether self-acquired or ancestral

Correct Answer: (B) Such children are entitled only to the self-acquired or separate property of their parents, and not to ancestral/coparcenary property

Solution:

Step 1: Understanding the Question:
The question asks for the best summary of the Supreme Court's conclusion on the property rights of children legitimized under Section 16 of the HMA.

Step 2: Detailed Explanation:
The comprehension passage from *Revanasiddappa v. Mallikarjun* provides a direct summary. It concludes that a Section 16 child is "entitled to rights in or to the absolute property of the parents and no other person." The judgment contrasts this with being "on an equal footing as a coparcener in the coparcenary." This means their right is confined to the property owned by their parents, which includes their parents' self-acquired property and their parents' defined share in ancestral property. It does not give them a right in the ancestral property of the larger joint family.
Let's evaluate the options:

- **(A)** is directly contradicted by the judgment. They are not coparceners.
- **(B)** This statement is the closest summary. When the court says they are entitled to the "separate property of their parents" and "not to ancestral/coparcenary property," it means they cannot claim a share from the common family pot as a coparcener. Their claim is restricted to what belongs exclusively to the parent (self-acquired) or what can be carved out as the parent's share from the ancestral property upon death (which then becomes their separate estate for succession). This option correctly captures the essence of this limitation.
- **(C)** is incorrect. They are Class I heirs and inherit alongside other legitimate children.
- **(D)** is incorrect. They definitely have rights in their parents' property.

Step 3: Final Answer:
The judgment's conclusion is that the rights of such children are restricted to the separate property of their parents, not the ancestral property of the joint Hindu family.

Quick Tip

The crucial distinction made by the Supreme Court is between the "property of the parent" (which a Section 16 child can inherit) and the "property of the coparcenary" (in which they have no birthright).

Comprehension Passage (For Questions 111-115):
XXIII.Live-in relationship, as such, as already indicated, is a relationship which has not been socially accepted in India, unlike many other countries. In Lata Singh v. State of U.P. [(2006) 5 SCC 475: (2006) 2 SCC (Cri) 478] it was observed that a live-in relationship between two consenting adults of heterosexual sex does not amount to any offence even though it may be perceived as immoral. However, in order to provide a remedy in civil law for protection of women, from being victims of such relationship, and to prevent the occurrence of domestic violence in the society, first time in India, the DV Act has been enacted to cover the couple having relationship in the nature of marriage, persons related by consanguinity, marriages, etc. ... For the first time, though, the DV Act, Parliament has recognised a "relationship in the nature of marriage" and not a live- in relationship simpliciter. We have already stated, when we examine whether a relationship will fall within the expression "relationship in the nature of marriage" within the meaning of Section 2(f) of the DV Act, we should have a close analysis of the entire relationship Invariably, it may be a question of fact and degree, whether a relationship between two unrelated persons of the opposite sex meets the tests judicially evolved.
(Extracted with edits and revisions from Indra Sarma v. V.K.V. Sarma, (2013) 15 SCC 755)

111. What is the scope of analysis required to determine if a relationship falls within the expression "relationship in the nature of marriage" under Section 2(f)

of the DV Act?

(A) Considering the number of children born in a live in relationship.
(B) Considering only the cohabitation period of the relationship and their emotional connectivity.
(C) Conducting a close analysis of the entire interpersonal relationship, taking into account all facets.
(D) Evaluating only the financial aspects and mutual agreements of the relationship, and if there is any written agreement between the partner.

Correct Answer: (C) Conducting a close analysis of the entire interpersonal relationship, taking into account all facets.

Solution:

Step 1: Understanding the Question:
The question asks what kind of examination a court must undertake to decide if a live-in relationship qualifies as a "relationship in the nature of marriage" under the Protection of Women from Domestic Violence Act, 2005 (DV Act).

Step 2: Detailed Explanation:
The provided passage from *Indra Sarma v. V.K.V. Sarma* gives a direct answer. The Supreme Court states: "...when we examine whether a relationship will fall within the expression 'relationship in the nature of marriage' ... **we should have a close analysis of the entire relationship** Invariably, it may be a question of fact and degree...".
This means the court cannot look at isolated factors. It must conduct a holistic review of the relationship. Option (C) perfectly captures this requirement. Options (A), (B), and (D) are too narrow as they focus on specific aspects (children, cohabitation period, finances) rather than the "entire interpersonal relationship" with "all facets."

Step 3: Final Answer:
The court must conduct a close and holistic analysis of the entire relationship, considering all its facets, to determine if it is 'in the nature of marriage'.

Quick Tip

The test for a "relationship in the nature of marriage" is not a simple checklist but a qualitative assessment of the entire relationship to see if it resembles a marital bond.

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112. In which of the following cases, the Supreme Court read down the word "adult male" in Section 2(q) of the Protection of Women from Domestic Violence Act, 2005?

(A) Indra Sarma v. V.K.V. Sarma (2013) 15 SCC 755)
(B) Hiral P Harsora v. Kusum Harsora, (Manu/SC/1269/2016)
(C) Uma Narayanan v. Priya Krishna Prasad, (Laws (Mad) 2008-8-28)
(D) D Velusamy v. D Patchaiammal (AIR 2011 SC 479)

Correct Answer: (B) Hiral P Harsora v. Kusum Harsora, (Manu/SC/1269/2016)

Solution:

Step 1: Understanding the Question:
This is a direct, knowledge-based question asking to identify the landmark Supreme Court case that struck down the words "adult male" from the definition of "respondent" in the DV Act.

Step 2: Detailed Explanation:
Section 2(q) of the DV Act originally defined a "respondent" as any "adult male person" who is in a domestic relationship with the aggrieved person. This meant that a woman could not file a complaint against another woman (e.g., her mother-in-law or sister-in-law) or against a male who was not an adult.
In the case of **Hiral P Harsora v. Kusum Harsora (2016)**, the Supreme Court found this definition to be discriminatory and violative of Article 14 of the Constitution. The court held that domestic violence is not gender-specific and can be perpetrated by any member of the family, regardless of their gender or age. Consequently, the court struck down the words "adult male" from Section 2(q), making the provision gender-neutral. This means a complaint can now be filed against any person, male or female, adult or minor, who is in a domestic relationship with the aggrieved woman.

Step 3: Final Answer:
The correct case is *Hiral P Harsora v. Kusum Harsora.*

Quick Tip

Remember that after the *Hiral Harsora* judgment, the term "respondent" in the DV Act is now gender-neutral, meaning women can also be named as perpetrators of domestic violence.

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113. As per section 20 of the Protection of Women from Domestic Violence Act, 2005, while disposing of an application under Section 12(1), the Magistrate may direct the respondent to pay monetary relief to the aggrieved person so that the aggrieved person can:

(A) Live a life that meets at least the bare minimum needs for survival and basic well. being.
(B) Live a life that is consistent with her standard of living which she is accustomed.
(C) Live a life that is consistent with her parent's standard of living.
(D) Live a life which can cover her medical expenses and expenses incurred due to litigation of

domestic violence.

Correct Answer: (B) Live a life that is consistent with her standard of living which she is accustomed.

Solution:

Step 1: Understanding the Question:
The question asks about the standard or purpose of monetary relief that can be granted under Section 20 of the DV Act.

Step 2: Detailed Explanation:
Section 20 of the DV Act allows the Magistrate to direct the respondent to pay monetary relief to meet the expenses incurred and losses suffered by the aggrieved person. The objective of such relief, particularly the maintenance component, is not just for bare subsistence but to enable the aggrieved person to maintain a lifestyle commensurate with the one she was used to in the shared household.

- **(A)** This describes the standard of "bare subsistence," which is often associated with Section 125 CrPC, but the DV Act aims for a higher standard.
- **(B)** This correctly states the established legal principle. The courts have consistently held that maintenance should befit the standard of living the person was accustomed to. Section 20(2) also states the relief must be "adequate, fair and reasonable and consistent with the standard of living to which the aggrieved person is accustomed."
- **(C)** The parent's standard of living is irrelevant.
- **(D)** While medical and litigation expenses can be covered under Section 20, this option is incomplete. It only lists some components of the relief, whereas option (B) describes the overall guiding principle or standard for the maintenance part of the relief.

Step 3: Final Answer:
The monetary relief under the DV Act is intended to allow the aggrieved person to maintain a standard of living she was accustomed to.

Quick Tip

The standard for maintenance under the DV Act is higher than just survival needs; it's about maintaining the "status" or "standard of living" enjoyed during the relationship.

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114. In which case, the three judge bench of the Hon'ble Supreme Court has recently interpreted the term "shared household" and has held that "...lives or at any stage has lived in a domestic relationship..." have to be given its normal and purposeful meaning. The living of woman in a household has to refer to a living

which has some permanency. Mere fleeting or casual living at different places shall not make a shared household.

(A) Satish Chander Ahuja v. Sneha Ahuja, AIR 2020 SC 2483
(B) Rupa Ashok Hurra v. Ashok Hurra AIR 2002 SC 177
(C) S.R. Batra v. Tarun Batra (2007) 3 SCC 169
(D) B.R. Mehta Vs. Atma Devi (1987) 4 SCC 183

Correct Answer: (A) Satish Chander Ahuja v. Sneha Ahuja, AIR 2020 SC 2483

Solution:

Step 1: Understanding the Question:
The question asks to identify a recent, landmark three-judge bench Supreme Court decision that gave a broad and purposeful interpretation to the term "shared household" under the DV Act.

Step 2: Detailed Explanation:
The interpretation of "shared household" under Section 2(s) of the DV Act has been a contentious issue.

- In the earlier case of **S.R. Batra v. Tarun Batra (2007)**, a two-judge bench had given a very restrictive interpretation, holding that a "shared household" would only mean a house owned or tenanted by the husband, or a house belonging to the joint family of which the husband is a member.
- This restrictive view caused significant hardship to women, particularly those living in houses owned by their in-laws.
- The issue was reconsidered by a larger three-judge bench in the case of **Satish Chander Ahuja v. Sneha Ahuja (2020)**. This bench overruled the decision in *S.R. Batra*. It held that the term "shared household" should be interpreted literally and purposefully. A shared household is where the aggrieved person "lives or at any stage has lived in a domestic relationship," irrespective of whether she has any right, title, or interest in the said household. The court emphasized that the living must have some degree of permanency, not be merely fleeting or casual. The text in the question is a direct reflection of the ratio in this case.

Step 3: Final Answer:
The case that provided this expansive interpretation and overruled *S.R. Batra* is *Satish Chander Ahuja v. Sneha Ahuja*.

Quick Tip

For the DV Act, remember the two key cases on "shared household": *S.R. Batra* (old, restrictive view) and *Satish Chander Ahuja* (new, expansive view that overruled Batra).

115. Under Indian Law, can a woman in a live in relationship claim maintenance under S. 125, CrPC despite not being a legally wedded wife?

(A) No, as per the interpretation of statute 'wife' means legally wedded wife and includes who has been divorced by, or has obtained a divorce from her husband.
(B) Yes, a woman in a live in relationship can claim maintenance u/s 125, CrPC as strict proof of marriage is not necessary and maintenance cannot be denied if evidence suggests cohabitation.
(C) A woman in live in relationship can only claim maintenance if she has been cohabiting for more than five years and dependent children from the relationship.
(D) A woman in live in relationship can claim maintenance only through a civil suit as the protection of women from domestic violence act 2005 (PWDVA) does not apply to live in relationships.

Correct Answer: (B) Yes, a woman in a live in relationship can claim maintenance u/s 125, CrPC as strict proof of marriage is not necessary and maintenance cannot be denied if evidence suggests cohabitation.

Solution:

Step 1: Understanding the Question:
The question asks about the eligibility of a woman in a long-term live-in relationship to claim maintenance under Section 125 of the Code of Criminal Procedure.

Step 2: Detailed Explanation:
Section 125 of the CrPC is a social welfare provision designed to prevent vagrancy and destitution. While the section uses the word "wife," the Supreme Court has interpreted it broadly to achieve the object of the law.

- In a series of judgments, including *Chanmuniya v. Virendra Kumar Singh Kushwaha* and *D. Velusamy v. D. Patchaiammal*, the Supreme Court has held that for the purpose of Section 125 CrPC, a woman who has been in a long-term live-in relationship, which is in the nature of marriage, is entitled to maintenance.
- The reasoning is that strict proof of a formal wedding is not required in proceedings under Section 125. If a man and woman have cohabited for a long period as husband and wife, the law will presume them to be married, and the man will be estopped from denying the marriage solely to evade his duty to maintain her.
- This makes option (B) the correct statement of the law. Option (A) reflects a very old and outdated literal interpretation. Option (C) imposes arbitrary conditions (like a five-year minimum) that are not required by law. Option (D) is incorrect as Section 125 CrPC provides a direct and speedy remedy.

Step 3: Final Answer:
The law has evolved to allow women in long-term live-in relationships to claim maintenance

under Section 125 CrPC, based on the presumption of marriage arising from prolonged cohabitation.

Quick Tip

For Section 125 CrPC, courts favor a purposive interpretation. The focus is on the fact of a marriage-like relationship, not on the rigid formalities of a wedding ceremony.

Comprehension Passage (For Questions 116-117):
XXIV.Section 2(47) of the Income Tax Act, 1961, which is an inclusive definition, inter alia, provides that relinquishment of an asset or extinguishment of any right therein amounts to a transfer of a capital asset. While the taxpayer continues to remain a shareholder of the company even with the reduction of share capital, it could not be accepted that there was no extinguishment of any part of his right as a shareholder qua the company. A company under Section 66 of the Companies Act, 2013 has a right to reduce the share capital and one of the modes which could be adopted is to reduce the face value of the preference share. When as a result of reducing the face value of the share, the share capital is reduced, the right of the preference shareholder to the dividend or his share capital and the right to share in the distribution of the net assets upon liquidation is extinguished proportionately to the extent of reduction in the capital. Such a reduction of the right of the capital asset clearly amounts to a transfer within the meaning of section 2(47) of the Income Tax Act, 1961.
(Extracted with edits and revisions from Principal Commissioner of Income Tax v. Jupiter Capital Pvt Ltd., (2025 INSC 38)

116. What was the core issue before the Supreme Court in this Special Leave Petition filed by the Income Tax Department?

(A) Whether the assessee's claim for a long-term capital gain was correctly disallowed by the Assessing Officer.
(B) Whether the reduction in the number of shares due to a reduction in share capital amounted to a "transfer" under Section 2(47) of the Income Tax Act, 1961, allowing for a capital loss claim.
(C) Whether the High Court of Karnataka correctly relied on the decision of Anarkali Sarabhai v. CIT.
(D) Whether the face value of the shares remaining the same after the reduction nullified the claim of capital loss.

Correct Answer: (B) Whether the reduction in the number of shares due to a reduction in share capital amounted to a "transfer" under Section 2(47) of the Income Tax Act, 1961, allowing for a capital loss claim.

Solution:

Step 1: Understanding the Question:
The question asks to identify the central legal issue in the case described in the passage.

Step 2: Detailed Explanation:
The passage explains that a reduction in share capital (specifically, the face value of preference shares) leads to a proportionate extinguishment of the shareholder's rights. It then states that this extinguishment "clearly amounts to a transfer within the meaning of section 2(47) of the Income Tax Act, 1961." The consequence of an event being a "transfer" is that any resulting profit is a capital gain and any resulting loss is a capital loss. Therefore, the central dispute must be whether this event is a 'transfer' that would allow the taxpayer (assessee) to claim the resulting loss as a capital loss against their income.
Option (B) encapsulates this perfectly. It identifies the event (reduction of share capital), the legal question (whether it is a "transfer" under Section 2(47)), and the consequence (allowing a capital loss claim). The other options are either too narrow or incorrect.

Step 3: Final Answer:
The core issue was whether the reduction of share capital qualified as a "transfer" under the Income Tax Act, which would validate the assessee's claim for a capital loss.

Quick Tip

In tax law, the definition of "transfer" is very broad. If you can't claim an event as a transfer, you can't claim any capital gain or loss from it. This is often the central point of dispute.

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117. According to the Supreme Court, why does a reduction in share capital that proportionately reduces a shareholder's rights amount to a "transfer" under Section 2(47) of the Income Tax Act, 1961?

(A) Because the shareholder's voting percentage remains constant, which is a form of continuous transfer.
(B) Because it involves a sale or exchange of the capital asset to another party.
(C) Because it is covered under the inclusive definition of "transfer" as an extinguishment of any rights in the capital asset.
(D) Because the face value of the shares remains unchanged, constituting a deemed transfer.

Correct Answer: (C) Because it is covered under the inclusive definition of "transfer" as an extinguishment of any rights in the capital asset.

Solution:

Step 1: Understanding the Question:
The question asks for the specific legal reasoning provided by the Supreme Court for treating a reduction of share capital as a "transfer".

Step 2: Detailed Explanation:
The passage gives the reasoning explicitly. It starts by quoting the definition from Section 2(47): "...relinquishment of an asset or **extinguishment of any right therein** amounts to a transfer of a capital asset." It then applies this to the facts: "When as a result of reducing the face value of the share... the right of the preference shareholder... is **extinguished proportionately**.... Such a reduction of the right of the capital asset clearly amounts to a transfer...". This directly matches option (C). The reason is not a sale or exchange (B) or anything to do with voting rights (A). Option (D) is factually incorrect as the passage states the face value is reduced. The legal basis is the broad, inclusive definition of 'transfer' which includes the extinguishment of rights in an asset.

Step 3: Final Answer:
The reduction amounts to a transfer because the shareholder's rights in their shares (a capital asset) are partially extinguished, and "extinguishment of any right" is explicitly included in the definition of transfer under Section 2(47) of the Income Tax Act.

Quick Tip

The definition of "transfer" in Section 2(47) of the Income Tax Act is much wider than its ordinary meaning. It includes sale, exchange, relinquishment, and extinguishment of rights.

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118. The Supreme Court clarified a principle regarding the computation of capital gains/loss under Section 48 of the Income Tax Act. What was this clarification?

(A) That the reduction of share capital must result in a change in the percentage of shareholding.
(B) That the face value of the shares must be reduced for the transfer to be valid.
(C) That the transfer must be a sale or relinquishment, and not merely an extinguishment of rights.
(D) That receipt of some consideration in lieu of the extinguishment of rights is not a condition precedent for the computation of capital gains/loss.

Correct Answer: (D) That receipt of some consideration in lieu of the extinguishment of rights is not a condition precedent for the computation of capital gains/loss.

Solution:

Step 1: Understanding the Question:
The question asks about a specific principle clarified by the Supreme Court regarding the com-

putation of capital gains or loss under Section 48 of the Income Tax Act, in the context of a transfer that happens via extinguishment of rights (like in a share capital reduction).

Step 2: Key Formula or Approach:
The computation of capital gains is governed by Section 48 of the Income Tax Act, which is: Capital Gain/Loss = Full Value of Consideration - (Cost of Acquisition + Cost of Improvement + Expenses on Transfer).

Step 3: Detailed Explanation:
When an event is deemed a "transfer" under Section 2(47), the computation mechanism under Section 48 automatically applies. A crucial issue is whether Section 48 can be applied if no actual money or consideration is received by the assessee.

- In a case like the reduction of share capital, the shareholder's rights are extinguished, but they may not receive any payment in return.
- The Supreme Court has clarified that the term "transfer" does not presuppose the receipt of consideration. A transfer can occur even for nil consideration.
- Once a transaction is established as a "transfer," the computation must be done as per Section 48. If no consideration is received, the "Full Value of Consideration" is taken as nil. A capital loss can then be computed as: Loss = 0 − Cost of Acquisition.
- Therefore, the receipt of consideration is not a necessary pre-condition for a "transfer" to occur or for the computation of capital gains/loss to be undertaken. This makes statement (D) the correct clarification.

Step 4: Final Answer:
The Supreme Court clarified that for a transaction to be a 'transfer' and for capital gains/loss to be computed, it is not essential that some consideration must be received by the assessee.

Quick Tip

Under the Income Tax Act, a "transfer" can happen even for zero consideration. The computation mechanism under Section 48 still applies, which is how a capital loss (where consideration is less than cost) can be claimed.

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119. The Supreme Court, in its summary of the principles from Kartikeya V. Sarabhai, stated that the right of a preference shareholder is extinguished proportionately to the extent of the capital reduction. Which of the following two specific rights were mentioned as being extinguished?

(A) Right to voting power and right to attend general meetings.
(B) Right to proportional share of debt and right to appoint directors.
(C) Right to dividend/share capital and right to share in the distribution of net assets upon liquidation.

(D) Right to face value of the share and right to receive consideration.

Correct Answer: (C) Right to dividend/share capital and right to share in the distribution of net assets upon liquidation.

Solution:

Step 1: Understanding the Question:
The question asks to identify the two specific rights of a preference shareholder that were mentioned in the preceding comprehension passage as being extinguished during a reduction of share capital.

Step 2: Detailed Explanation:
The comprehension passage provided for the previous questions contained the direct answer. It stated:
"When as a result of reducing the face value of the share, the share capital is reduced, the **right of the preference shareholder to the dividend or his share capital** and the **right to share in the distribution of the net assets upon liquidation** is extinguished proportionately to the extent of reduction in the capital."
This sentence explicitly names the two key financial rights associated with a preference share that are diminished.

- Option (C) is a direct match with the text from the judgment extract.
- Other options list either incorrect rights (like share of debt) or general rights (like voting) that are not the primary financial rights affected and mentioned in this context.

Step 3: Final Answer:
The two specific rights mentioned as being extinguished are the right to dividend/share capital and the right to share in the distribution of net assets upon liquidation.

Quick Tip

Preference shares have preferential rights over equity shares regarding two main things: payment of dividends and repayment of capital during liquidation. These are the core rights that are affected by a capital reduction.

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120. The Supreme Court emphasized that the expression "extinguishment of any right therein" is of wide import. What does this expression cover?

(A) Only transactions involving the sale or exchange of tangible capital assets.
(B) Only transactions resulting in the destruction, annihilation, or extinction of the entire capital asset.
(C) Every possible transaction that results in the destruction, annihilation, extinction, termination, cessation, or cancellation of all or any of the bundle of rights- qualitative or quantitative- that the assessee has in a capital asset.

(D) Only transactions where the face value of the shares is compulsorily reduced by a court order.

Correct Answer: (C) Every possible transaction that results in the destruction, annihilation, extinction, termination, cessation, or cancellation of all or any of the bundle of rights- qualitative or quantitative-that the assessee has in a capital asset.

Solution:

Step 1: Understanding the Question:
The question asks for the scope and meaning of the phrase "extinguishment of any right therein," which is part of the definition of "transfer" in Section 2(47) of the Income Tax Act.

Step 2: Detailed Explanation:
In tax jurisprudence, inclusive definitions are interpreted broadly to cover all possible scenarios and prevent tax evasion. The Supreme Court has consistently held that the term "transfer" is of the widest possible amplitude. The phrase "extinguishment of any right therein" is a key part of this wide definition.

- It does not require the entire asset to be destroyed. The word "any" right signifies that even a partial loss or reduction of a right in a capital asset amounts to an extinguishment. This makes option (B) incorrect.
- The passage itself deals with the reduction of rights in shares (an intangible asset), so option (A) which limits it to tangible assets is incorrect.
- Option (D) is too specific and narrow. The principle of extinguishment applies to many situations, not just court-ordered share reductions.
- Option (C) provides the most comprehensive and accurate description. It covers the extinguishment of "all or any" of the "bundle of rights" an assessee has. It correctly points out that the extinguishment can be both "qualitative or quantitative." This captures the wide import that the Supreme Court has given to this expression.

Step 3: Final Answer:
The expression "extinguishment of any right therein" is interpreted very broadly to cover any transaction that results in the termination or reduction of any part of the bundle of rights that a person has in a capital asset.

Quick Tip

In tax law, a "capital asset" is often seen as a "bundle of rights." A "transfer" occurs not just when the whole bundle is given away (sale), but also when even one stick from that bundle is broken or taken away (extinguishment).